
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended October 31, 2017

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 1-8929



ABM INDUSTRIES INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)



94-1369354

(I.R.S. Employer Identification No.)

**One Liberty Plaza, 7th Floor
New York, New York 10006**

(Address of principal executive offices)

(212) 297-0200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$0.01 par value

Name of each exchange on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Aggregate market value of the registrant's common stock held by non-affiliates of the registrant, based upon the closing price of a share of the registrant's common stock on April 30, 2017 as reported on the New York Stock Exchange on that date: \$2,389,186,450

Number of shares of the registrant's common stock outstanding as of December 8, 2017: 65,514,281

DOCUMENTS INCORPORATED BY REFERENCE

Parts of the registrant's Definitive Proxy Statement relating to the registrant's 2018 Annual Meeting of Shareholders, to be held on March 7, 2018, are incorporated by reference into Part III of this Annual Report on Form 10-K.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

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FORWARD-LOOKING STATEMENTS

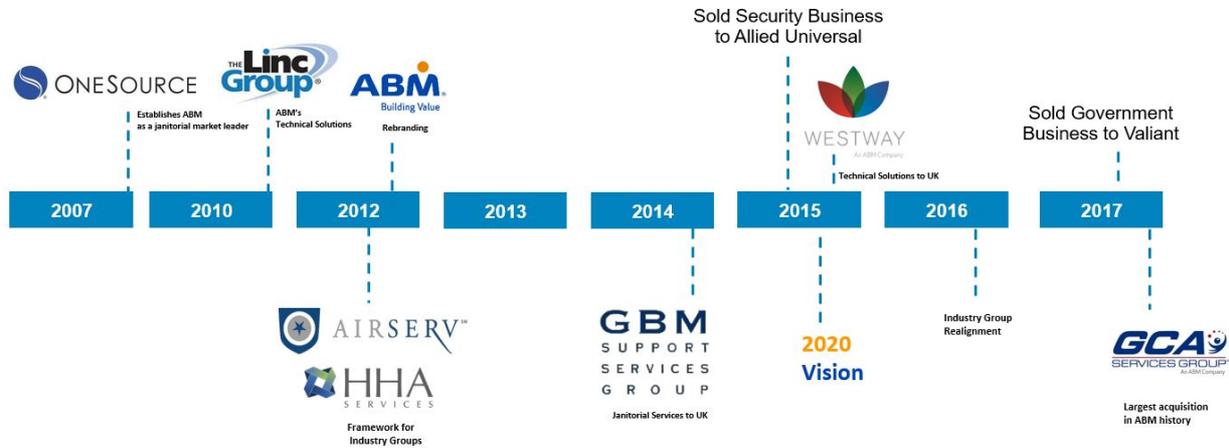
This Form 10-K for ABM Industries Incorporated and its subsidiaries (collectively referred to as “ABM,” “we,” “us,” “our,” or the “Company”) contains both historical and forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. We make forward-looking statements related to future expectations, estimates, and projections that are uncertain and often contain words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “may,” “outlook,” “plan,” “predict,” “should,” “target,” or other similar words or phrases. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict. Factors that might cause such differences include, but are not limited to, those discussed in Part 1 of this Form 10-K under Item 1A., “Risk Factors,” which are incorporated herein by reference, and we urge readers to consider these risks and uncertainties in evaluating our forward-looking statements. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

PART I

ITEM 1. BUSINESS.

General

ABM Industries Incorporated, which operates through its subsidiaries (collectively referred to as “ABM,” “we,” “us,” “our,” or the “Company”), is a leading provider of integrated facility solutions with a mission to **make a difference, every person, every day**. Our history dates back to 1909, when American Building Maintenance Company began as a window washing company in San Francisco with one employee. In 1985, we were incorporated in Delaware under the name American Building Maintenance Industries, Inc., as the successor to the business originally founded in 1909. In 1994, we changed our name to ABM Industries Incorporated. Over the past ten years, we have grown into a multi-segment facility solutions company, particularly through new service offerings and strategic acquisitions:



The acquisition of OneSource in 2007 bolstered ABM as a leader in the janitorial market, while the Linc Group acquisition in 2010 established ABM as a “facility solutions” company with new service offerings, including lighting, mechanical, and electrical “technical solutions.” With demand increasing for industry-specific service providers, in 2012 we purchased Air Serv and established our first industry group, “aviation,” which was previously included in “other.” In recent years, we have strategically acquired companies in the U.K., particularly with the GBM and Westway acquisitions, which expanded overseas both our janitorial and technical solutions businesses. In 2017, we completed the acquisition of GCA Services, a provider of integrated facility services to educational institutions and commercial facilities for \$1.3 billion, the largest acquisition in ABM history. As a result of this acquisition, we are now a leading facility solutions provider in the education market. In recent years, we also evaluated all of our service offerings and sold our Security and Government Services businesses as they did not align with ABM’s long-term industry-group focus.

As a result of these strategic acquisitions, we have strengthened our ability to offer janitorial, facilities engineering, parking, and specialized mechanical and electrical technical solutions, on a standalone basis or in combination, and positioned ourselves as a leading integrated facilities management company. Unless otherwise indicated, all references to years are to our fiscal year, which ends on October 31.

2020 Vision

In September 2015, we announced a comprehensive transformation initiative (“2020 Vision”) intended to drive long-term profitable growth through an industry-based go-to-market approach. Our 2020 Vision involves three phases: During Phase 1, which we completed on November 1, 2016, we realigned our organization; in Phase 2, which is continuing today, we are focused on improvements to our operational framework to promote efficiencies and process enhancements; and in Phase 3, on the foundation of benefits realized from Phases 1 and 2, we anticipate accelerating growth with our industry-based, go-to-market service model. For additional information on our 2020 Vision, see Item 7., “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Contract Types

We generate revenues under several types of contracts, as explained below. Generally, the type of contract is determined by the nature of the services. Although many of our service agreements are cancelable on short notice, we have historically had a high client retention rate and expect to continue maintaining long-term relationships with our clients.

Contract Type	Description
Monthly Fixed-Price	These arrangements are contracts in which the client agrees to pay a fixed fee every month over a specified contract term. A variation of a fixed-price arrangement is a square-foot arrangement, under which monthly billings are based on the actual square footage serviced. Janitorial contracts are commonly structured as fixed-price arrangements.
Cost-Plus	These arrangements are contracts in which the clients reimburse us for the agreed-upon amount of wages and benefits, payroll taxes, insurance charges, and other expenses associated with the contracted work, plus a profit margin. Facilities engineering, janitorial, and catering services are commonly structured as cost-plus arrangements.
Tag Services	Tag work generally consists of supplemental services requested by clients outside of the standard service specification. This contract type is commonly used in janitorial services and includes cleanup after tenant moves, construction cleanup, flood cleanup, and snow removal.
Transaction-Price	These are agreements in which the clients are billed for each transaction performed on a monthly basis (e.g., wheelchair passengers served or aircrafts cleaned).
Hourly	These arrangements are contracts in which the client is billed a set hourly rate for each labor hour provided. Certain Aviation contracts are structured as hourly arrangements.
Management Reimbursement	Under these parking arrangements, we manage a parking facility for a management fee and pass through the revenue and expenses associated with the facility to the owner.
Leased Location	Under these parking arrangements, we generally pay to the property owner a fixed amount of rent, plus a percentage of revenues derived from monthly and transient parkers. We retain all revenues and we are responsible for most operating expenses incurred.
Allowance	Under these parking arrangements, we are paid a fixed or hourly fee to provide parking services, and we are responsible for certain operating expenses, as specified in the contract.
Energy Savings Contracts and Fixed-Price Repair and Refurbishment	Under these arrangements, we agree to develop, design, engineer, and construct a project and guarantee that the project will satisfy agreed-upon performance standards.
Franchise	We franchise certain engineering services through individual and area franchises under the Linc Service and TEGG brands, which are part of ABM Technical Solutions.

Segment and Geographic Financial Information

For management and financial reporting purposes, our businesses are currently separated into five reportable segments: Business & Industry ("B&I"), Aviation, Emerging Industries Group, Technical Solutions, and the newly acquired GCA Services. Among other changes, once we integrate GCA into our industry group model in 2018, we anticipate our Education industry group will become a reportable segment. We also expect to present a new Technology & Manufacturing reportable segment, that will combine our High Tech industry group and the legacy GCA and ABM Industrial & Manufacturing ("I&M") businesses. ABM's legacy I&M business was included in the B&I segment. Our principal operations are in the United States, and in 2017 our U.S. operations generated approximately 94% of our revenues. For segment and geographical financial information, see Note 18, "Segment and Geographic Information," in the Notes to Consolidated Financial Statements.

ONGOING REPORTABLE SEGMENTS AND DESCRIPTIONS



B&I, our largest reportable segment, encompasses janitorial, facilities engineering, and parking services for commercial real estate properties, sports and entertainment venues, and industrial and manufacturing sites. We typically provide these services pursuant to monthly fixed-price and cost-plus arrangements that are obtained through a competitive bid process.



Aviation supports airlines and airports with services ranging from parking and janitorial to passenger assistance, catering, air cabin maintenance, and transportation. We typically provide services to clients in this segment under master services agreements. These agreements are typically re-bid upon renewal and are generally structured as fixed-price arrangements, parking reimbursement contracts, transaction-price arrangements, and hourly arrangements. Two clients accounted for approximately 35% of revenues for this segment in 2017.



Our Emerging Industries Group is comprised of our Education, Healthcare, and High Tech industry groups. Services include janitorial, facilities engineering, and parking services for clients in these industries. The Emerging Industries Group typically provides these services pursuant to monthly fixed-price and cost-plus arrangements that are obtained through a competitive bid process.



Technical Solutions provides specialized mechanical and electrical services. These services can also be leveraged for cross-selling within B&I, Aviation, and the Emerging Industries Group, both domestically and internationally. Contracts for this segment are structured as cost-plus arrangements, fixed-price arrangements, energy savings contracts, and franchise arrangements.



GCA Services is a provider of integrated facility services to educational institutions and commercial facilities. It typically provides these services pursuant to monthly fixed-price and cost-plus arrangements that are obtained through a competitive bid process.

Service Marks, Trademarks, and Trade Names

We hold various service marks, trademarks, and trade names, such as “ABM,” “ABM Building Value,” “ABM Greencare,” “MPower,” “Linc Service,” and “TEGG,” which we deem important to our marketing activities, our business, and, with respect to certain of these, the franchising activities conducted by our Technical Solutions segment.

Dependence on Significant Client

No client accounted for more than 10% of our consolidated revenues during 2017, 2016, or 2015.

Competition

We believe that each aspect of our business is highly competitive and that such competition is based primarily on price, quality of service, and ability to anticipate and respond to industry changes. A majority of our revenue is derived from projects requiring competitive bids; however, an invitation to bid is often conditioned upon prior experience, industry expertise, and financial strength. The low cost of entry in the facility services business results in a very competitive market. We mainly compete with regional and local owner-operated companies that may have more acute vision into local markets and significantly lower labor and overhead costs, providing them with competitive advantages in those regards. We also compete indirectly with companies that can perform for themselves one or more of the services we provide.

Sales and Marketing

Our sales and marketing activities include digital engagement and direct interactions with prospective and existing clients, pricing, proposal management, and customer relationship management by dedicated business development teams, operations personnel, and management. These activities are executed by branch and regional sales, marketing, and operations teams assigned to our industry groups and are supported by centralized sales support teams, inside sales teams, corporate marketing personnel, and our Center of Excellence teams. These sales and marketing teams perform lead acquisition, lead nurturing, and lead management as well as training in sales tools and proposal systems, all governed by standard operating procedures.

Regulatory Environment and Environmental Compliance

Our operations are subject to various federal, state, and/or local laws regulating the discharge of materials into the environment or otherwise relating to the protection of the environment, such as discharge into soil, water, and air, and the generation, handling, storage, transportation, and disposal of waste and hazardous substances. From time to time we are involved in environmental matters at certain of our locations or in connection with our operations. Historically, the cost of complying with environmental laws or resolving environmental issues relating to locations or operations in the United States or abroad has not had a material adverse effect on our financial position, results of operations, or cash flows.

Employees

As of October 31, 2017, we employed approximately 140,000 employees, of which approximately 44,000, or 32%, were subject to various local collective bargaining agreements.

Available Information

We are required to file Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other information with the Securities and Exchange Commission ("SEC"). The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are also available free of charge on our Internet site at www.abm.com as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC. We provide references to our website for your convenience, but our website does not constitute, and should not be viewed as, a part of this Annual Report, and our website is not incorporated into this or any of our other filings with the SEC.

Executive Officers of Registrant**Executive Officers on December 22, 2017**

Name	Age	Principal Occupations and Business Experience
Scott Salmirs	55	President and Chief Executive Officer of ABM since March 2015; Executive Vice President of ABM from September 2014 to March 2015, with global responsibility for ABM's Aviation division and all international activities; Executive Vice President of ABM's Onsite Services division focused on the Northeast from 2003 to September 2014; Member of the Board of Directors of ABM since January 2015.
D. Anthony Scaglione	45	Executive Vice President and Chief Financial Officer of ABM since April 2015; Senior Vice President, Treasurer, and Head of Mergers and Acquisitions of ABM from January 2012 to April 2015; Vice President and Treasurer of ABM from June 2009 to January 2012; Chairman of the Board of the Association for Financial Professionals (AFP), the professional society that represents finance executives across the globe, from November 2014 to October 2016.
Scott Giacobbe	55	Chief Operating Officer of ABM since November 2017; President of ABM's U.S. Technical Solutions from November 2010 to November 2017.
Andrea R. Newborn	54	Executive Vice President, General Counsel, and Corporate Secretary of ABM since July 2017; Executive Vice President and General Counsel for TravelClick, Inc. from July 2014 to June 2017; Senior Vice President, General Counsel, and Secretary of The Reader's Digest Association, Inc. from March 2007 to February 2014.
Dean A. Chin	49	Senior Vice President, Chief Accounting Officer, and Corporate Controller of ABM since June 2010; Vice President and Assistant Controller of ABM from June 2008 to June 2010.
David R. Goodes	45	Senior Vice President and Chief Human Resources Officer of ABM since January 2016; Executive Vice President, Human Resources of Hess Retail Corporation during 2014; Vice President, Human Resources, Marketing & Refining of Hess Corporation from March 2011 to December 2013; Director, Human Resources of Hess Corporation from October 2005 to March 2011.
Rene Jacobsen	56	President of ABM's Business & Industry Group since February 2016; Executive Vice President of ABM's West Region from April 2012 to February 2016; Executive Vice President and Chief Operating Officer of Temco Service Industries from November 2007 to April 2012.

ITEM 1A. RISK FACTORS.

We may not realize the growth opportunities and cost synergies that are anticipated from the acquisition of GCA.

The benefits that are expected to result from the acquisition of GCA will depend, in part, on our ability to realize the anticipated growth opportunities and cost synergies from the acquisition. Our success in realizing these growth opportunities and cost synergies, and the timing of this realization, depends on a number of factors. There is a significant degree of difficulty and management distraction inherent in the process of integrating an acquisition as sizable as GCA. The process of integrating operations could cause an interruption of, or loss of momentum in, our activities or the activities of the GCA business. Members of our senior management may be required to devote considerable time to this integration process, which will decrease the time they will have to manage our Company, service existing clients, and attract new clients. In addition, we have not fully implemented our **2020 Vision**, which is expected to generate significant benefits to the Company. Time and distraction relating to the acquisition of GCA could detract from the ability to achieve the benefits anticipated with respect to our **2020 Vision**. If senior management is not able to effectively manage the integration process or if any significant business activities including **2020 Vision** initiatives are interrupted as a result of the integration process, our business could suffer. There can be no assurance that we will successfully or cost-effectively integrate GCA. The failure to do so could have a material adverse effect on our business, financial condition, or results of operations.

Even if we are able to integrate GCA successfully, this integration may not result in the realization of the full benefits of the growth opportunities and cost synergies we currently expect from this integration, and we cannot guarantee these benefits will be achieved within anticipated time frames or at all. For example, we may not be able to eliminate duplicative costs. Moreover, we may incur substantial expenses in connection with the integration of GCA. While it is anticipated that certain expenses will be incurred to achieve cost synergies, such expenses are difficult to estimate accurately and may exceed current estimates. Accordingly, the benefits from the acquisition may be offset by costs incurred to integrate the business or delays in the integration process. In addition, the overall integration may result in unanticipated problems, expenses, liabilities, competitive responses, loss of client and other relationships, or loss of key employees, any of which may adversely affect our results of operations and may cause our stock price to decline.

We incurred a substantial amount of debt to complete the acquisition of GCA. To service our debt, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control. We also depend on the profitability of our subsidiaries to satisfy our cash needs. If we cannot generate the required cash, we may not be able to make the necessary payments required to service our indebtedness or we may be required to suspend certain discretionary payments, including our dividend.

In connection with the acquisition of GCA, on September 1, 2017, we refinanced and replaced our existing credit facility with a new syndicated secured credit facility (the "Credit Facility") consisting of a \$900 million revolving line of credit and an \$800 million amortizing term loan with a five-year term. On September 1, 2017, we borrowed approximately \$1.3 billion under the Credit Facility. Our ability to make payments on our debt, fund our other liquidity needs, and make planned capital expenditures will depend on our ability to generate cash in the future. Our ability to generate cash, to a certain extent, is subject to general economic, financial, competitive, and other factors that are beyond our control. We cannot guarantee that our business will generate sufficient cash flow from our operations or that future borrowings will be available to us in an amount sufficient to enable us to make payments of our debt, fund other liquidity needs, make planned capital expenditures, or continue our dividend.

The degree to which we are currently leveraged could have important consequences for shareholders. For example, it could require us to dedicate a substantial portion of our cash flows from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, share repurchases, capital expenditures, acquisitions, and other general corporate purposes; limit our availability to obtain additional financing in the future to enable us to react to changes in our business; and place us at a competitive disadvantage compared to businesses in our industry that have less debt.

Additionally, an increased level of borrowing increases our interest expense, which could negatively impact our profitability. As current interest rates on our credit facility are variable, an increase in prevailing rates would increase our interest costs. Further, our credit facility contains both financial covenants and other covenants that limit our ability to engage in specific transactions. Any failure to comply with covenants in the credit facility could result in an event of default that, if not cured or waived, would have a material adverse effect on us.

Changes to our businesses, operating structure, financial reporting structure, or personnel relating to the implementation of our 2020 Vision strategic transformation initiative, including our move to our Enterprise Services Center, may not have the desired effects on our financial condition and results of operations.

During the fourth quarter of 2015, we announced our transformation initiative (“2020 Vision”), which is intended to differentiate ABM in the marketplace, accelerate revenue growth for certain industry groups, and improve our margin profile. We may not be able to execute on this strategy as a result of numerous factors, such as client resistance to an integrated approach, inability to deliver requested end-to-end services, and difficulty penetrating certain markets. Even if we are able to execute our 2020 Vision, we may not realize the full benefits that we currently expect within the anticipated time frame or at all. For example, although we may be able to leverage scale to manage costs more efficiently and effectively, the realignment of our business operations may not provide us with the anticipated competitive advantage or revenue growth. Moreover, the execution of our 2020 Vision may result in substantial expenses in excess of what is currently forecast. While we anticipate that certain expenses will be incurred, such expenses are difficult to estimate accurately and may exceed current estimates. Accordingly, the benefits from our 2020 Vision may be offset by unexpected costs or delays incurred in its execution. In connection with our 2020 Vision, we are making significant investments in information technology, but there can be no assurance these investments will have the desired results in improving the delivery of our services. In addition, our 2020 Vision may cause substantial disruption to our operations and may not have the anticipated positive effects on our relationships with our employees, clients, and suppliers.

Changes to our business systems and processes, including the migration of many of our financial reporting and other processes to our Enterprise Services Center, may not create the operational efficiencies or cost benefits that we expect and could result in unanticipated consequences. In addition, the move to a shared services environment may create risks relating to the processing of transactions and recording of financial information. During the transition period, we could experience a lapse in the operation of internal controls due to turnover, lack of legacy knowledge, or inappropriate training, which could result in significant deficiencies or material weaknesses.

Our success depends on our ability to gain profitable business despite competitive pressures and on our ability to preserve long-term client relationships.

We believe that each aspect of our business is highly competitive and that such competition is based primarily on price, quality of service, and ability to anticipate and respond to industry changes. A majority of our revenue is derived from projects requiring competitive bids. The low cost of entry in the facility services business results in a very competitive market. We mainly compete with regional and local owner-operated companies that may have more acute vision into local markets and significantly lower labor and overhead costs, providing them with a competitive advantage in those regards. We also compete indirectly with companies that can perform for themselves one or more of the services we provide. Additionally, many of our contracts provide that our clients pay certain costs at specified rates, such as insurance, healthcare costs, salary and salary-related expenses, petroleum, and other costs. We may experience higher operating costs related to changes in federal, state, or local laws and regulations regarding employee benefits, minimum wages, and other entitlements. If actual costs exceed the rates specified in the contracts, our profitability may be negatively impacted. Further, if we are unable to respond adequately to changing technology, we may lose existing clients and fail to win future business opportunities. These strong competitive pressures could inhibit our success in bidding for profitable business and our ability to increase prices as costs rise, thereby reducing margins.

We primarily provide services pursuant to agreements that are cancelable by either party upon 30–90 days’ notice. As we generally incur higher initial costs on new contracts until the labor management and facilities operations normalize, our business associated with long-term client relationships is generally more profitable than short-term client relationships. If we lose a significant number of long-term clients, our profitability could be negatively impacted, even if we gain equivalent revenues from new clients.

We depend to a large extent on our relationships with our clients and our reputation for quality integrated facility solutions. As such, adverse publicity stemming from an accident or other incident involving our facility operations related to injury, illness, or death could harm our reputation, result in the cancellation of contracts, and expose us to significant liability.

Our business success depends on our ability to attract and retain qualified personnel and senior management.

Our future performance depends on the continuing services and contributions of our senior management and on our continued ability to attract and retain qualified personnel. Any unplanned turnover in senior management or inability to attract and retain qualified personnel could have a negative effect on our results of operations. We employ over 130,000 persons and our operations depend on the services of a large and diverse workforce. We must attract, train, and retain a large and growing number of qualified employees, while controlling related labor costs. Our ability

to control labor and benefit costs is subject to numerous internal and external factors, including changes in immigration policy, regulatory changes, prevailing wage rates, and competition we face from other companies for these employees. There is no assurance that we will be able to attract or retain qualified employees in the future, which could have a material adverse effect on our business, financial condition, and results of operations.

Our use of subcontractors or joint venture partners to perform work under customer contracts exposes us to liability and financial risk.

We depend on subcontractors or other parties, such as joint venture partners, to perform work in situations in which we are not able to self-perform the work involved. Such arrangements may involve subcontracts or joint venture relationships where we do not have direct control over the performing party. A failure, for whatever reason, by one or more of our subcontractors or joint venture partners to perform, or the alleged negligent performance of, the agreed-upon services may expose us to liability. Although we have in place controls and programs to monitor the work of our subcontractors and our joint venture partners, there can be no assurance that these controls or programs will have the desired effect, and we may incur significant liability as a result of the actions or inactions of one or more of our subcontractors or joint venture partners.

Our international business involves risks different from those we face in the United States that could have an effect on our results of operations and financial condition.

We have business operations in jurisdictions outside of the United States, most significantly in the United Kingdom. Our international operations are subject to risks that are different from those we face in the United States, such as the requirement to comply with national and local regulatory requirements, including, but not limited to: the U.K. Bribery Act and other anti-corruption laws and laws respecting privacy; potential difficulties in staffing and labor disputes; differing local labor laws; credit risk or financial condition of local clients; and local political and social conditions. In addition, the operating results of our non-U.S. subsidiaries are translated into U.S. dollars, and those results are affected by movements in foreign currencies relative to the U.S. dollar. There can be no assurance that the foregoing factors will not have a material adverse effect on our international operations or on our consolidated financial condition and results of operations.

In addition, when we participate in joint ventures that operate outside of the United States where we are not a controlling party, we may have limited control over the joint venture. Any improper actions by our joint venture employees, partners, or agents, including, but not limited to, failure to comply with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and/or laws relating to human trafficking, could result in civil or criminal investigations, monetary and non-monetary penalties, or other consequences, any of which could have an adverse effect on our financial position as well as on our reputation and ability to conduct business.

Unfavorable developments in our class and representative actions and other lawsuits alleging various claims could cause us to incur substantial liabilities.

Our business involves employing tens of thousands of employees, many of whom work at our clients' facilities. We incur risks relating to our employment of these workers, including, but not limited to: claims of misconduct or negligence on the part of our employees; claims related to the employment of undocumented workers or unlicensed personnel; and claims by our employees of discrimination, harassment, or violations of wage and hour requirements. Some or all of these claims may lead to litigation, including class action litigation, and these matters may cause us to incur negative publicity with respect to these alleged problems. It is not possible to predict the outcome of these lawsuits or any other proceeding, and our insurance may not cover all claims that may be asserted against us. These lawsuits and other proceedings may consume substantial amounts of our financial and managerial resources. An unfavorable outcome with respect to these lawsuits and any future lawsuits could, individually or in the aggregate, cause us to incur substantial liabilities that could have a material adverse effect upon our business, reputation, financial condition, or results of operations.

We insure our insurable risks through a combination of insurance and self-insurance and we retain a substantial portion of the risk associated with expected losses under these programs, which exposes us to volatility associated with those risks, including the possibility that changes in estimates of ultimate insurance losses could result in a material charge against our earnings.

We use a combination of insured and self-insurance programs to cover workers' compensation, general liability, automobile liability, property damage, and other insurable risks. We are responsible for claims both within and in excess of our retained limits under our insurance policies, and while we endeavor to purchase insurance coverage that is appropriate to our assessment of risk, we are unable to predict with certainty the frequency, nature, or magnitude of

claims for direct or consequential damages. If our insurance coverage proves to be inadequate or unavailable, our business may be negatively impacted.

The determination of required insurance reserves is dependent upon significant actuarial judgments. We use the results of actuarial studies to estimate insurance rates and insurance reserves for future periods and to adjust reserves, if appropriate, for prior years. Actual experience related to our insurance reserves can cause us to change our estimates for reserves and any such changes may materially impact results, causing significant volatility in our operating results. We have experienced material negative trends in our actuarial estimates and may continue to experience these and other material negative trends in future periods.

Should we be unable to renew our excess, umbrella, or other commercial insurance policies at competitive rates, it could have a material adverse impact on our business, as would the incurrence of catastrophic uninsured claims or the inability or refusal of our insurance carriers to pay otherwise insured claims. Further, to the extent that we self-insure our losses, deterioration in our loss control and/or continuing claim management efforts could increase the overall cost of claims within our retained limits. A material change in our insurance costs due to changes in the frequency of claims, the severity of the claims, the costs of excess/umbrella premiums, or regulatory changes could have a material adverse effect on our financial position, results of operations, or cash flows.

We have formed a wholly-owned captive insurance company, IFM Assurance Company ("IFM"), which we believe will provide us with increased flexibility in the end-to-end management of our insurance program. There can be no assurance that IFM will bring about the intended benefits or that it will provide us with the desired flexibility in the management of our insurance programs, because we may experience unanticipated events that will reduce or eliminate expected benefits, including anticipated savings related to coverage provided by IFM to our subsidiaries.

Our risk management and safety programs may not have the intended effect of reducing our liability for personal injury or property loss.

We attempt to mitigate risks relating to personal injury or property loss through the implementation of company-wide safety and loss control efforts designed to decrease the incidence of accidents or events that might increase our liability. It is expected that any such decrease would also have the effect of reducing our insurance costs for our casualty programs. However, incidents involving personal injury or property loss often are caused by multiple factors, a significant number of which are beyond our control. Therefore, there can be no assurance that our risk management and safety programs will have the desired effect of controlling costs and liability exposure.

Impairment of goodwill and long-lived assets could have a material adverse effect on our financial condition and results of operations.

We evaluate goodwill for impairment annually, in the fourth quarter, or more often if impairment indicators exist. We also review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If the fair value of one of our reporting units is less than its carrying value, or if as a result of a recoverability test we conclude that the projected undiscounted cash flows are less than the carrying amount, we would record an impairment charge related to goodwill or long-lived assets, respectively. The assumptions used to determine impairment require significant judgment and the amount of the impairment could have a material adverse effect on our reported financial results for the period in which the charge is taken.

Changes in general economic conditions, including changes in energy prices, government regulations, and changing consumer preferences, could reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition.

In certain geographic areas and service lines, our most profitable revenues are related to supplemental services requested by clients outside of the standard service specification. This contract type is commonly used in janitorial services and includes cleanup after tenant moves, construction cleanup, flood cleanup, and snow removal ("tag work"). A decline in occupancy rates could result in a decline in scope of work, including tag work, and depressed prices for our services. Slow domestic and international economic growth or other negative changes in global, national, and local economic conditions could have a negative impact on our business. Specifically, adverse economic conditions may result in clients cutting back on discretionary spending. Additionally, since a significant portion of our aviation services and parking revenues are tied to the number of airline passengers, hotel guests, and sports arena attendees, results for these businesses could be adversely affected by curtailment of business, personal travel, and discretionary spending. The use of ride sharing services and car sharing services may lead to a decline in parking demand at airports and in urban areas.

Energy efficiency projects are designed to reduce a client's overall consumption of commodities such as electricity and natural gas. As such, downward fluctuations in commodity prices may reduce clients' demand for our services. We also depend, in part, on federal and state legislation and policies that support energy efficiency projects. If current legislation or policies are amended, eliminated, or not extended beyond their current expiration dates, or if funding for energy incentives is reduced or delayed, it could also adversely affect our ability to obtain new business. In some instances, we offer certain of these clients guaranteed energy savings on installed equipment. In the event those guaranteed savings are not achieved, we may be required to pay liquidated or other damages. All of these factors could have an adverse effect on our financial position, results of operations, and cash flows.

Our business may be materially affected by changes to fiscal and tax policies. Negative or unexpected tax consequences could adversely affect our results of operations

The Tax Cuts and Jobs Act of 2017 was approved by Congress on December 20, 2017. When signed into law by President Donald J. Trump, this legislation will make significant changes to the U.S. Internal Revenue Code. Such changes include a reduction in the corporate tax rate and limitations on certain corporate deductions and credits, among other changes. Certain of these changes could have a negative impact on our business. In addition, adverse changes in the underlying profitability and financial outlook of our operations or changes in tax law could lead to changes in our valuation allowances against deferred tax assets on our consolidated balance sheets, which could materially affect our results of operations. Furthermore, we are subject to tax audits by governmental authorities, primarily in the United States and United Kingdom. If we experience unfavorable results from one or more such tax audits, there could be an adverse effect on our tax rate and therefore on our net income.

We could be subject to cyber-security risks, information technology interruptions, and business continuity risks.

Our information technology systems and those of our third-party providers could become subject to cyber-attacks, hacking, or other intrusions, which could result in operational disruptions or information misappropriation, such as theft of intellectual property or inappropriate disclosure of confidential information. In addition, to the extent centralized administrative locations are disabled for a long period of time, key business processes, such as accounts payable, information technology, payroll, and general management operations, could be interrupted. Any such operational disruptions and/or misappropriation of information could result in lost sales, negative publicity, or business delays that could have a material adverse effect on our business.

A significant number of our employees are covered by collective bargaining agreements that could expose us to potential liabilities in relationship to our participation in multiemployer pension plans, requirements to make contributions to other benefit plans, and the potential for strikes, work slowdowns or similar activities, and union-organizing drives.

We participate in various multiemployer pension plans under union and industry-wide agreements, which provide defined pension benefits and other benefits to employees covered by collective bargaining agreements. Because of the nature of multiemployer plans, there are risks associated with participation in these plans that differ from single-employer plans. Assets contributed by an employer to a multiemployer plan are not segregated into a separate account and are not restricted to provide benefits only to employees of that contributing employer. In the event another participating employer in a multiemployer plan no longer contributes to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers, including us. In the event of the termination of a multiemployer pension plan or a withdrawal from a multiemployer pension plan, under applicable law we could incur material liabilities. We further discuss our participation in multiemployer pension and postretirement plans in Note 13, "Employee Benefit Plans," in the Notes to Consolidated Financial Statements. In addition, the terms of collective bargaining agreements require us to contribute to health and welfare plans that require us to have appropriate systems in place to track contributions. The failure to make a contribution as a result of a systems failure could have a negative impact on our financial position.

At October 31, 2017, approximately 32% of our employees were subject to various local collective bargaining agreements, some of which will expire or become subject to renegotiation during 2018. In addition, at any given time we may face a number of union organizing drives. When one or more of our major collective bargaining agreements becomes subject to renegotiation or when we face union organizing drives, we and the union may disagree on important issues that could lead to a strike, work slowdown, or other job actions at one or more of our locations. In a market where we are unionized but competitors are not unionized, we could lose clients to such competitors. A strike, work slowdown, or other job action could disrupt our services, resulting in reduced revenues or contract cancellations.

Moreover, negotiating a first time agreement or renegotiating an existing collective bargaining agreement could result in a substantial increase in labor and benefits expenses that we may be unable to pass through to clients.

If we fail to maintain proper and effective internal control over financial reporting in the future, our ability to produce accurate and timely financial statements could be negatively impacted, which could harm our operating results, investors' perceptions of our Company and, as a result, the value of our common stock.

Pursuant to Section 404 of the Sarbanes Oxley Act of 2002 and related rules, our management is required to report on, and our independent registered public accounting firm is required to attest to, the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing, and possible remediation. We have acquired entities that did not have any publicly traded debt or equity and therefore were not required to conform to the rules and regulations of the SEC, especially as it relates to internal control structure. As such, upon acquisition by us, such entities may not have in place all the necessary controls as required by the Public Company Accounting Oversight Board. The integration of acquired entities into our internal control over financial reporting has required and will continue to require significant time and resources from our management and other personnel and will increase our compliance costs. We are required to include our assessment of the effectiveness of the internal controls over financial reporting of entities we acquire in our overall assessment. We plan to complete the evaluation and integration of internal controls over financial reporting and report our assessment within the required time frame. Failure to maintain an effective internal control environment could have a material adverse effect on our ability to accurately report our financial results, the market's perception of our business, and our stock price.

Our business may be negatively impacted by adverse weather conditions.

Weather conditions such as snow storms, heavy flooding, hurricanes, and other fluctuations in temperatures can negatively impact portions of our business. Within our Technical Solutions segment, cooler than normal temperatures in the summer could reduce the need for servicing of air conditioning units, resulting in reduced revenues and profitability. Within Parking and Aviation services, snow can lead to reduced travel activity, as well as increases in certain costs, both of which negatively affect gross profit. On the other hand, the absence of snow during the winter could cause us to experience reduced revenues in our B&I segment, as many of our contracts specify additional payments for snow-related services.

Catastrophic events, disasters, and terrorist attacks could disrupt our services.

Catastrophic events, disasters, and acts of terrorism may result in reduced revenues, property damage, or economic dislocations throughout the country. These events may increase the volatility of financial results due to unforeseen costs with partial or no corresponding compensation from clients.

Actions of activist investors could disrupt our business.

Public companies have been the target of activist investors. In the event that a third party, such as an activist investor, proposes to change our governance policies, board of directors, or other aspects of our operations, our review and consideration of such proposals may create a significant distraction for our management and employees. This could negatively impact our ability to execute our **2020 Vision** and may require our management to expend significant time and resources. Such proposals may also create uncertainties with respect to our financial position and operations and may adversely affect our ability to attract and retain key employees.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

Our principal executive office is located at One Liberty Plaza, 7th Floor, New York, New York 10006. As part of our **2020 Vision**, in 2016 we began consolidating our operations to increase efficiency and effectiveness.

Principal Properties as of October 31, 2017

Location	Character of Office	Approximate Square Feet	Lease Expiration Date, Unless Owned	Segment
Alpharetta, Georgia	IT Datacenter and Technical Solutions Headquarters	25,000	Owned	All
Atlanta, Georgia	Operations Support	37,000	10/31/2027	All
Cleveland, Ohio	GCA Services Headquarters	32,400	1/31/2024	GCA Services
Houston, Texas	Prior COO Divisional Headquarters	11,000	8/31/2018	B&I
New York, New York	Corporate Headquarters	44,000	1/3/2032	Corporate, B&I
Sugar Land, Texas	Enterprise Services	62,500	3/31/2028	All

In addition to the above properties, we have other offices, warehouses, and parking facilities in various locations, primarily in the United States. We believe that these properties are well maintained, in good operating condition, and suitable for the purposes for which they are used.

ITEM 3. LEGAL PROCEEDINGS.

We are a party to a number of lawsuits, claims, and proceedings incident to the operation of our business, including those pertaining to labor and employment, contracts, personal injury, and other matters, some of which allege substantial monetary damages. Some of these actions may be brought as class actions on behalf of a class or purported class of employees. While the results of these lawsuits, claims, and proceedings cannot be predicted with any certainty, our management believes that the final outcome of these matters will not have a material adverse effect on our financial position, results of operations, or cash flows.

Certain Legal Proceedings

Certain lawsuits to which we are a party are discussed below. In determining whether to include any particular lawsuit or other proceeding, we consider both quantitative and qualitative factors. These factors include, but are not limited to: the amount of damages and the nature of any other relief sought in the proceeding; if such damages and other relief are specified, our view of the merits of the claims; whether the action is or purports to be a class action, and our view of the likelihood that a class will be certified by the court; the jurisdiction in which the proceeding is pending; and the potential impact of the proceeding on our reputation.

The Consolidated Cases of Augustus, Hall, and Davis, et al. v. American Commercial Security Services, filed July 12, 2005, in the Superior Court of California, Los Angeles County (the "Augustus case")

The *Augustus* case was a certified class action involving violations of certain California state laws relating to rest breaks. The case centered on whether requiring security guards to remain on call during rest breaks violated Section 226.7 of the California Labor Code. On July 31, 2012, the Superior Court of California, Los Angeles County (the "Superior Court"), entered summary judgment in favor of plaintiffs in the amount of approximately \$89.7 million (the "common fund"). Subsequently, the Superior Court also awarded plaintiffs' attorneys' fees of approximately \$4.5 million in addition to approximately 30% of the common fund. Under California law, post-judgment interest on a judgment accrues at a rate of 10% simple interest per year from the date the judgment is entered until it is satisfied. We appealed the Superior Court's rulings to the Court of Appeals of the State of California, Second Appellate District (the "Appeals Court"). On December 31, 2014, the Appeals Court issued its opinion, reversing the judgment in favor of the plaintiffs and vacating the award of \$89.7 million in damages and the attorneys' fees award. The plaintiffs filed a petition for review with the California Supreme Court on March 4, 2015, and on April 29, 2015, the California Supreme Court granted the plaintiffs' petition. On December 22, 2016, the California Supreme Court rendered its decision, holding

that on-call and on-duty rest breaks are prohibited by California law, and reversed the Appeals Court judgment on this issue. The amount of post-judgment interest as of December 22, 2016 was approximately \$41.2 million.

On February 6, 2017, ABM Security Services, Inc., a wholly-owned subsidiary of ABM Industries Incorporated, entered into a Class Action Settlement and Release with plaintiffs Jennifer Augustus, Delores Hall, Emanuel Davis, and Carlton Anthony Waite, on behalf of themselves and the settlement class members, to settle the *Augustus* case on a class-wide basis for \$110.0 million (the "Augustus Settlement Agreement"). On March 17, 2017, the Augustus Settlement Agreement was amended to address certain procedural matters, and it received final approval of the Superior Court on July 6, 2017. The Augustus Settlement Agreement called for two payments of \$55.0 million each. The first payment was made on July 19, 2017, and the second payment, plus an additional payment of \$4.8 million for payroll taxes, was made on August 29, 2017.

Karapetyan v. ABM Industries Incorporated and ABM Security Services, Inc., et al., filed on October 23, 2015, pending in the United States District Court for the Central District of California (the "Karapetyan case")

The *Karapetyan* case was a putative class action in which the plaintiff sought to represent a class of security guards who worked during time periods subsequent to the class period in the *Augustus* case. The plaintiff alleged that ABM violated certain California state laws relating to meal and rest breaks and other wage and hour claims. On April 17, 2017, ABM Industries Incorporated, ABM Security Services, Inc., ABM Onsite Services, Inc., and ABM Onsite Services – West, Inc. entered into a Class Action Settlement and Release with plaintiff Vardan Karapetyan, on behalf of himself and the settlement class members, to settle the *Karapetyan* case on a class-wide basis for \$5.0 million. The United States District Court for the Central District of California granted final approval of the settlement on September 7, 2017. The full settlement payment in the amount of \$5.0 million, plus an additional \$0.2 million in payroll taxes, was made on October 13, 2017.

The Consolidated Cases of Bucio and Martinez v. ABM Janitorial Services filed on April 7, 2006, in the Superior Court of California, County of San Francisco (the "Bucio case")

The *Bucio* case is a class action pending in San Francisco Superior Court that alleges we failed to provide legally required meal periods and make additional premium payments for such meal periods, pay split shift premiums when owed, and reimburse janitors for travel expenses. On April 19, 2011, the trial court held a hearing on plaintiffs' motion to certify the class. At the conclusion of that hearing, the trial court denied plaintiffs' motion to certify the class. On May 11, 2011, the plaintiffs filed a motion to reconsider, which was denied. The plaintiffs appealed the class certification issues. The trial court stayed the underlying lawsuit pending the decision in the appeal. The Court of Appeal of the State of California, First Appellate District (the "Court of Appeal"), heard oral arguments on November 7, 2017. On December 11, 2017, the Court of Appeal reversed the trial court's order denying class certification and remanded the matter for certification of a meal period, travel expense reimbursement, and split shift class.

Hussein and Hirsi v. Air Serv Corporation filed on January 20, 2016, pending in the United States District Court for the Western District of Washington at Seattle (the "Hussein case") and

Isse et al. v. Air Serv Corporation filed on February 7, 2017, pending in the Superior Court of Washington for King County (the "Isse" case)

The *Hussein* case was a certified class action involving a class of certain hourly Air Serv employees at Seattle-Tacoma International Airport in SeaTac, Washington. The plaintiffs alleged that Air Serv violated a minimum wage requirement in an ordinance applicable to certain employers in the local city of SeaTac (the "Ordinance"). Plaintiffs sought retroactive wages, double damages, interest, and attorneys' fees. This matter was removed to federal court. In a separate lawsuit brought by Filo Foods, LLC, Alaska Airlines, and several other employers at SeaTac airport, the King County Superior Court issued a decision that invalidated the Ordinance as it applied to workers at SeaTac airport. Subsequently, the Washington Supreme Court reversed the Superior Court's decision. On February 7, 2017, the *Isse* case was filed against Air Serv on behalf of 60 individual plaintiffs (who would otherwise be members of the *Hussein* class), who alleged failure to comply with both the minimum wage provision and the sick and safe time provision of the Ordinance. The *Isse* plaintiffs sought retroactive wages and sick benefits, double damages for wages and sick benefits, interest, and attorneys' fees. The *Isse* case later expanded to approximately 220 individual plaintiffs.

In mediations on November 2 and 3, 2017, and without admitting liability in either matter, we agreed to settle the *Hussein* and *Isse* lawsuits for a combined total of \$8.3 million, inclusive of damages, interest, attorneys' fees, and employer payroll taxes. Eligible employees will be able to participate in either the *Hussein* or *Isse* settlements, but cannot recover in both settlements. The settlements in both cases will require court approval because of the nature of the claims being released. We are working with our clients to obtain partial or full reimbursement for the settlements.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information and Dividends

Our common stock is listed on the New York Stock Exchange (NYSE: ABM). The following table sets forth the high and low sales prices of our common stock on the New York Stock Exchange and quarterly cash dividends declared on shares of common stock for the periods indicated.

<i>(in dollars)</i>	Fiscal Quarter			
	First	Second	Third	Fourth
Fiscal Year 2017				
Price range of common stock				
High	\$ 45.03	\$ 44.68	\$ 44.93	\$ 45.12
Low	\$ 38.04	\$ 39.41	\$ 40.36	\$ 37.12
Dividends declared per share	\$ 0.170	\$ 0.170	\$ 0.170	\$ 0.170
Fiscal Year 2016				
Price range of common stock				
High	\$ 30.25	\$ 33.39	\$ 37.85	\$ 40.47
Low	\$ 26.50	\$ 28.45	\$ 32.03	\$ 36.63
Dividends declared per share	\$ 0.165	\$ 0.165	\$ 0.165	\$ 0.165

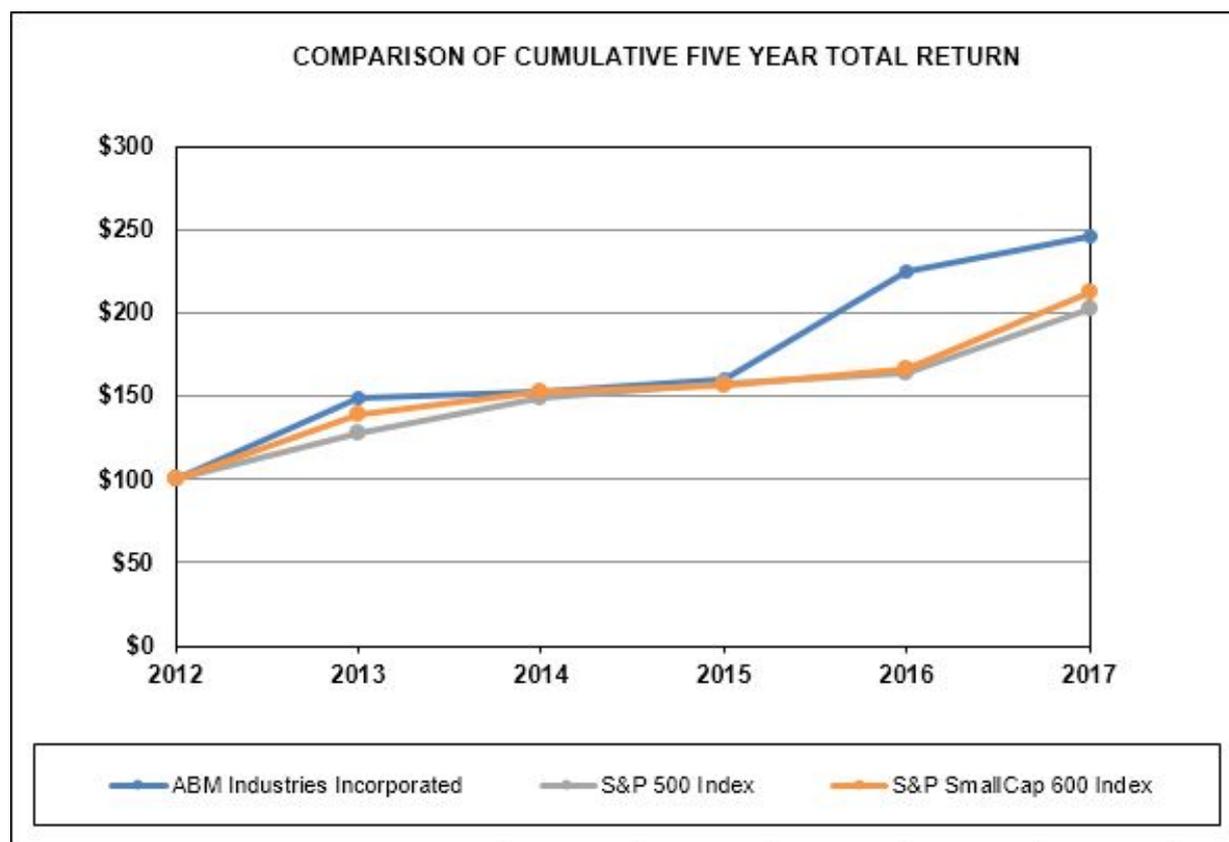
We have paid cash dividends every quarter since 1965. Future dividends will be determined based on our earnings, capital requirements, financial condition, and other factors considered relevant by our Board of Directors.

Stockholders

At December 8, 2017, there were 3,275 registered holders of our common stock.

Performance Graph

The following graph compares the five-year cumulative total return for our common stock against the Standard & Poor's SmallCap 600 Index ("S&P 600") and the Standard & Poor's 500 Index ("S&P 500"). As our competitors are principally privately held, we do not believe it is feasible to construct a peer group comparison on an industry or line-of-business basis.



INDEXED RETURNS Years Ended October 31,

Company / Index	2012	2013	2014	2015	2016	2017
ABM Industries Incorporated	\$ 100	\$ 148.5	\$ 152.7	\$ 160.3	\$ 224.9	\$ 245.4
S&P 500 Index	100	127.2	149.1	156.9	164.0	202.7
S&P SmallCap 600 Index	100	139.1	152.0	156.3	166.3	212.7

This performance graph shall not be deemed to be "soliciting material" or "filed" with the Securities and Exchange Commission, or subject to Regulation 14A or 14C, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended. The comparisons in the performance graph are based on historical data and are not indicative of, or intended to forecast, the possible future performance of our common stock.

ITEM 6. SELECTED FINANCIAL DATA.

The following selected financial data should be read in conjunction with Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 8., "Financial Statements and Supplementary Data." Unless otherwise indicated, all references to years are to our fiscal year, which ends on October 31.

	Years Ended October 31,				
	2017	2016	2015	2014	2013
<i>(in millions, except per share amounts)</i>					
Statements of Comprehensive Income Data					
Revenues ⁽¹⁾	\$ 5,453.6	\$ 5,144.7	\$ 4,897.8	\$ 4,649.7	\$ 4,427.8
Operating profit ⁽²⁾	101.9	54.7	73.6	114.8	105.3
Income from continuing operations	78.1	62.3	54.1	66.9	62.6
(Loss) income from discontinued operations, net of taxes ⁽³⁾	(74.3)	(5.1)	22.2	8.7	10.3
Per Share Data					
Net income per common share — Basic					
Income from continuing operations	\$ 1.35	\$ 1.11	\$ 0.95	\$ 1.19	\$ 1.14
Net income	\$ 0.07	\$ 1.02	\$ 1.35	\$ 1.35	\$ 1.33
Net income per common share — Diluted					
Income from continuing operations	\$ 1.34	\$ 1.09	\$ 0.94	\$ 1.17	\$ 1.12
Net income	\$ 0.07	\$ 1.01	\$ 1.33	\$ 1.32	\$ 1.30
Weighted-average common and common equivalent shares outstanding					
Basic	57.7	56.3	56.7	56.1	54.9
Diluted	58.3	56.9	57.4	57.1	56.1
Dividends declared per common share	\$ 0.680	\$ 0.660	\$ 0.640	\$ 0.620	\$ 0.600
Statements of Cash Flow Data					
Net cash provided by operating activities of continuing operations	\$ 101.7	\$ 110.5	\$ 145.5	\$ 115.6	\$ 125.2
Cash paid for income taxes, net of refunds received ⁽⁴⁾	11.8	12.6	23.7	32.9	18.7

	At October 31,				
	2017	2016	2015	2014	2013
<i>(in millions)</i>					
Balance Sheet Data					
Total assets	\$ 3,812.6	\$ 2,278.8	\$ 2,130.7	\$ 2,176.5	\$ 2,106.2
Trade accounts receivable, net of allowances ⁽⁵⁾	1,038.1	803.7	742.9	687.3	633.5
Goodwill ⁽⁶⁾	1,864.2	912.8	867.5	854.7	822.5
Other intangible assets, net of accumulated amortization ⁽⁷⁾	430.1	103.8	111.4	127.5	142.4
Long-term debt, net ⁽⁸⁾	1,161.3	268.3	158.0	319.8	314.9
Insurance claims	495.4	423.8	387.4	349.7	358.0

⁽¹⁾ Revenues in 2017 included \$208.1 million associated with acquisitions, including \$169.7 million related to the September 1, 2017 acquisition of GCA Services Group ("GCA").

⁽²⁾ Factors affecting comparability of operating profit consisted of the following:

- Operating profit in 2017 was positively impacted by a \$17.4 million impairment recovery related to our Government Services business, a \$10.9 million lower self-insurance adjustment related to prior year claims, a reduction in restructuring and related expenses, and procurement and organizational savings from our **2020 Vision** initiatives. Operating profit in 2017 was unfavorably impacted by \$24.2 million of transaction expenses related to the GCA acquisition.
- Operating profit in 2016 was negatively impacted by insurance expense of \$49.6 million, consisting of a \$32.9 million unfavorable self-insurance adjustment related to prior year claims and \$16.7 million of higher insurance expense due to an increase in the rate used to record our insurance reserves during 2016. Operating profit was also unfavorably impacted by \$29.0 million of **2020 Vision** restructuring and related charges and a \$22.5 million impairment charge for the Government Services business, consisting of both goodwill and long-lived asset charges. Operating profit in 2016 was favorably impacted by approximately \$22 million in savings from our **2020 Vision** initiatives.

- Operating profit in 2015 was negatively impacted by a \$35.9 million unfavorable self-insurance adjustment related to prior year claims.

⁽³⁾ Loss from discontinued operations in 2017 included \$120.0 million of settlements related to the Augustus and Karapetyan cases associated with the former Security business. Income from discontinued operations for 2015 reflected the \$14.4 million after-tax gain on the sale of the Security business.

⁽⁴⁾ Cash paid for income taxes was lower by approximately \$10 million for both 2017 and 2016 and \$20 million during 2015 due to cash tax savings related to coverage provided by IFM Assurance Company, our wholly-owned captive insurance company. During 2014, cash paid for income taxes increased as certain tax assets were substantially utilized.

⁽⁵⁾ Trade accounts receivable, net of allowances, increased by \$118.1 million on September 1, 2017 as a result of the GCA acquisition.

⁽⁶⁾ Goodwill increased by \$933.9 million on September 1, 2017 as a result of the GCA acquisition and by \$53.8 million on December 1, 2015 due to the acquisition of Westway Services Holdings (2014) Ltd. ("Westway").

⁽⁷⁾ Other intangible assets, net of accumulated amortization, increased by \$349.0 million on September 1, 2017 as a result of the GCA acquisition.

⁽⁸⁾ On September 1, 2017, we refinanced and replaced our existing \$800.0 million credit facility with a new secured \$1.7 billion credit facility, which we used to partially fund the GCA acquisition. During 2015, we used the cash proceeds from the sale of the Security business to pay down a portion of our line of credit.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to facilitate an understanding of the results of operations and financial condition of ABM Industries Incorporated and its subsidiaries (collectively referred to as "ABM," "we," "us," "our," or the "Company"). This MD&A is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and the accompanying notes ("Financial Statements"). This MD&A contains both historical and forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. We make forward-looking statements related to future expectations, estimates, and projections that are uncertain and often contain words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "likely," "may," "outlook," "plan," "predict," "should," "target," or other similar words or phrases. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict. Factors that might cause such differences include, but are not limited to, those discussed in Part 1. of this Form 10-K under Item 1A., "Risk Factors," which are incorporated herein by reference. Our future results and financial condition may be materially different from those we currently anticipate.

Throughout the MD&A, amounts and percentages may not recalculate due to rounding. In addition, we have revised our prior period segment information to reflect ABM's reorganization and a related reclassification of certain Corporate expenses. Concurrent with the reorganization, we recategorized certain expenses that were historically included in operating expenses to selling, general and administrative expenses. Unless otherwise indicated, all information in the MD&A and references to years are based on our fiscal year, which ends on October 31.

Business Overview

ABM is a leading provider of integrated facility solutions, customized by industry, with a mission to **make a difference, every person, every day.**

2020 Vision

In September 2015, we announced a comprehensive transformation initiative ("**2020 Vision**") intended to drive long-term profitable growth through an industry-based go-to-market approach. Our **2020 Vision** involves three phases: During Phase 1, which we completed on November 1, 2016, we realigned our organization; in Phase 2, which is continuing today, we are focused on improvements to our operational framework to promote efficiencies and process enhancements; and in Phase 3, on the foundation of benefits realized from Phases 1 and 2, we anticipate accelerating growth with our industry-based, go-to-market service model.

Phase 1 Industry Realignment

Effective November 1, 2016, we reorganized our reportable segments to reflect how we now manage our business by industry group:



Aviation



Business &
Industry



Education



Healthcare



High Tech



Technical
Solutions

Phase 2 Developments

Consistent Excellence

During 2017, we conducted a thorough evaluation of our field operations across the country to identify best practices (The "**ABM Way**") in account planning, labor management, manager development, and safety and risk management. As a result of this site-by-site review, we began to codify best practices, and throughout our company we are piloting **ABM Way** procedures, including initiating team cleaning and instituting a daily moment of safety. We also continue to make investments in technology platforms to help drive and sustain our **2020 Vision** strategy.

Cost Optimization

We are migrating more of our back office functions to our Enterprise Services Center in Sugar Land, Texas and are continuing to consolidate our procurement activities. Our procurement initiatives resulted in savings of \$10.0 million during 2017.

Talent Development

One of the key underpinnings of our **2020 Vision** is the investment in people and the development of key personnel. Our Talent Development Group has improved front line leadership training initiatives, began the centralization of talent acquisition for staff and management, and completed a full talent assessment program identifying emerging leaders throughout the Company. By prioritizing these initiatives, we believe we are building a stronger organization that will enable us to be a leader in industry-based facility solutions.

2018 and Beyond

We will continue to roll out The **ABM Way** procedures we began to identify in 2017. In addition, we are in the process of creating a standardized sales culture, focusing on driving long term, profitable sales and effective cross-selling processes. We expect The **ABM Way** and our new sales organization will build the foundation upon which we can profitably deliver leading industry-based facility solutions.

Developments and Trends

GCA Services Group

On September 1, 2017, we acquired GCA Services Group (“GCA”), a provider of integrated facility services to educational institutions and commercial facilities, for approximately \$1.3 billion, consisting of \$839.9 million in cash and approximately 9.4 million shares of ABM common stock with a fair value of \$421.3 million at closing, which amounts exclude shares withheld for taxes.

We expect this acquisition to be transformative and to accelerate our **2020 Vision** as GCA's client-centric goals and philosophies align closely with those of ABM. As a result of this acquisition, the revenue within our Education industry group is expected to increase from \$250 million to approximately \$850 million annually. We also estimate a \$500 million increase in annual revenue within our other industry groups, including Business & Industry and High Tech. We further anticipate opportunities to cross-sell the services of our Technical Solutions business to GCA's existing educational base. We expect this acquisition will strengthen all of our industry groups and, in particular, position our Education industry group as a leader in this market segment.

Due to the timing of the acquisition and integration of GCA's standalone operations into our industry groups, GCA was separately managed and reported in 2017. Among other changes, once we integrate GCA into our industry group model in 2018, we anticipate our Education industry group will become a reportable segment. We also expect to present a new Technology & Manufacturing reportable segment, that will combine our High Tech industry group and the legacy GCA and ABM Industrial & Manufacturing (“I&M”) businesses. ABM's legacy I&M business was included in the B&I segment.

We anticipate cost synergies relating to the GCA acquisition of approximately \$20–\$30 million annually within two years. In connection with the acquisition, we expect to incur one-time transaction and integration related expenses of approximately \$70 million, which includes approximately \$19 million of financing costs that are being amortized over the term of the new credit facility. We will also incur higher interest expense as a result of an increased level of debt and higher amortization expense.



Government Services Business

In connection with the held-for-sale classification of the Government Services business in 2016, we wrote down goodwill and long-lived assets of this business by \$22.5 million to reflect our best estimate of fair value less costs to sell, using all information available at that time. During the second quarter of 2017, we received an offer from a strategic buyer to purchase this business for approximately \$35.0 million, which was higher than our previous estimate of fair value less costs to sell. As a result, we recorded a \$17.4 million impairment recovery to adjust the fair value of certain previously impaired assets to the valuation of the assets as implied by the agreed-upon sales price, less estimated costs to sell. On May 31, 2017, we sold this business for \$35.5 million.

Legal

On July 6, 2017, ABM Security Services, Inc., a wholly-owned subsidiary of ABM Industries Incorporated, entered into a Class Action Settlement and Release to settle the *Consolidated Cases of Augustus, Hall, and Davis, et al. v. American Commercial Security Services*, on a class-wide basis for \$110.0 million, as approved by the Superior Court of California, Los Angeles County. The first payment of \$55.0 million was made on July 19, 2017, and the second payment of \$55.0 million, plus an additional payment of \$4.8 million for payroll taxes, was made on August 29, 2017, both of which were funded from operating cash flows and borrowings under our credit facility.

In connection with *Karapetyan v. ABM Industries Incorporated and ABM Security Services, Inc., et al.* (the "Karapetyan case"), we entered into a Class Action Settlement and Release with plaintiff Vardan Karapetyan, on behalf of himself and the settlement class members, to settle the *Karapetyan* case on a class-wide basis for \$5.0 million. The United States District Court for the Central District of California granted final approval of the settlement on September 7, 2017. The full settlement payment in the amount of \$5.0 million, plus an additional \$0.2 million in payroll taxes, was made on October 13, 2017.

As these settlements were related to the former Security business, the amounts are reflected in discontinued operations throughout this MD&A. These settlements are tax deductible and will result in an estimated \$50 million in cash tax savings, the majority of which we expect to receive in 2018.

Insurance

During 2017, we performed actuarial studies of our casualty insurance programs that considered changes in claim developments and claim payment activity for the period commencing May 1, 2016 and ending April 30, 2017 for all policy years in which open claims existed. Based on the results of these studies, which included analyzing recent loss development patterns, comparing the loss development patterns against benchmarks, and applying actuarial projection methods to estimate the ultimate losses, we increased our total reserves for known claims as well as our estimate of the loss amounts associated with claims incurred but not reported ("IBNR Claims") for years prior to 2017 by \$22.0 million during 2017. This adjustment was \$10.9 million lower than the total adjustment related to prior year claims of \$32.9 million in 2016.

2020 Vision Restructuring and Related Costs

In connection with the execution of our **2020 Vision**, we originally anticipated total pre-tax restructuring and related charges would range from \$45 million to \$60 million. Additional costs were incurred, mainly related to additional use of external advisors for initial pricing and furthering of procurement efforts to enhance and support our **2020 Vision** initiatives. As a result, our total pre-tax restructuring and related charges were slightly higher than the range we originally estimated. We do not expect to incur significant **2020 Vision** restructuring and related expenses in the future.

<i>(in millions)</i>	Year Ended October 31, 2017		Cumulative	
External Support Fees	\$	12.1	\$	28.0
Employee Severance		0.5		13.8
Other Project Fees		5.7		10.4
Lease Exit		2.6		5.7
Asset Impairment		—		4.7
Total	\$	20.9	\$	62.5

United States Tax Reform

The Tax Cuts and Jobs Act of 2017 was approved by Congress on December 20, 2017, and as of the filing of this report, it is awaiting signature by President Donald J. Trump. The law includes significant changes to the U.S. corporate income tax system, including a Federal corporate rate reduction from 35% to 21%, limitations on the deductibility of interest expense and executive compensation, and the transition of U.S. international taxation from a worldwide tax system to a territorial tax system. This change may result in a U.S. tax liability on those earnings which have not previously been repatriated to the U.S., with future foreign earnings potentially not subject to U.S. income taxes when repatriated. The majority of the provisions will have an impact on ABM beginning in fiscal years 2018 and 2019. We are in the process of analyzing the final legislation and determining an estimate of the financial impact.

Key Financial Highlights

- Revenues increased by \$308.9 million, or 6.0%, during 2017, as compared to 2016. Organic revenue increased 2.0%.
- Operating profit increased by \$47.2 million, or 86.2%, during 2017, as compared to 2016. The increase in operating profit is primarily attributable to the impairment recovery related to our Government Services business, a lower self-insurance adjustment, a reduction in restructuring and related expenses, and procurement and organizational savings from our **2020 Vision** initiatives. This increase was partially offset by a contract termination within our Aviation business and \$24.2 million of transaction expenses related to the GCA acquisition.
- Net cash provided by operating activities of continuing operations was \$101.7 million during 2017.
- Dividends of \$39.5 million were paid to shareholders, and dividends totaling \$0.680 per common share were declared during 2017.
- At October 31, 2017, total outstanding borrowings under our credit facility were \$1.2 billion, and we had up to \$350.8 million of borrowing capacity under our line of credit, subject to covenant restrictions that may limit the amount we can borrow.

Results of Operations

The Year Ended October 31, 2017 Compared with the Year Ended October 31, 2016

Consolidated

(\$ in millions)	Years Ended October 31,		Increase / (Decrease)	
	2017	2016		
Revenues	\$ 5,453.6	\$ 5,144.7	\$ 308.9	6.0%
Operating expenses	4,881.2	4,603.4	277.8	6.0%
<i>Gross margin</i>	10.5%	10.5%	—	
Selling, general and administrative expenses	436.6	410.1	26.5	6.5%
Restructuring and related expenses	20.9	29.0	(8.1)	(28.1)%
Amortization of intangible assets	31.6	25.0	6.6	26.5%
Impairment (recovery) loss	(18.5)	22.5	(41.0)	NM*
Operating profit	101.9	54.7	47.2	86.2%
Income from unconsolidated affiliates, net	4.2	7.6	(3.4)	(44.6)%
Interest expense	(19.2)	(10.4)	(8.8)	(84.3)%
Income from continuing operations before income taxes	86.9	51.9	35.0	67.3%
Income tax (provision) benefit	(8.8)	10.4	(19.2)	NM*
Income from continuing operations	78.1	62.3	15.8	25.3%
Loss from discontinued operations, net of taxes	(74.3)	(5.1)	(69.2)	NM*
Net income	3.8	57.2	(53.4)	(93.3)%
Other comprehensive income (loss)				
Foreign currency translation	9.7	(26.3)	36.0	NM*
Other, net of taxes	1.6	(0.2)	1.8	NM*
Comprehensive income	\$ 15.2	\$ 30.7	\$ (15.5)	(50.5)%

* Not meaningful

Revenues

Revenues increased by \$308.9 million, or 6.0%, during 2017, as compared to 2016. The increase in revenues was primarily attributable to \$208.1 million of incremental revenues from acquisitions, including GCA, and organic growth of \$121.0 million in Aviation and \$38.5 million in Business & Industry ("B&I"). This increase was partially offset by the sale of our Government Services business on May 31, 2017, the loss of certain contracts in our Emerging Industries Group, and the completion of a large energy savings performance contract ("ESPC").

Operating Expenses

Operating expenses increased by \$277.8 million, or 6.0%, during 2017, as compared to 2016. Gross margin remained flat at 10.5% in 2017 and 2016. Gross margin was positively impacted by a lower self-insurance adjustment related to prior year claims and savings from our 2020 Vision initiatives. However, gross margin was negatively impacted by a contract termination within our Aviation business and the loss of a multi-location janitorial account in our Emerging Industries Group.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by \$26.5 million, or 6.5%, during 2017, as compared to 2016. The increase in selling, general and administrative expenses was primarily related to:

- \$24.2 million of transaction expenses related to the GCA acquisition;
- an \$8.1 million increase in costs associated with 2020 Vision technology investments;

- \$5.8 million of higher compensation and related expenses primarily related to hiring additional personnel to support our **2020 Vision** initiatives, which was reduced by a reversal of certain expenses related to incentive plans;
- \$4.1 million of incremental selling, general and administrative expenses related to the GCA acquisition; and
- a \$2.3 million increase in legal expenses.

This increase was partially offset by:

- an \$8.8 million reduction in bad debt expense primarily associated with the absence of specific reserves for certain client receivables that were recorded in 2016;
- a \$3.2 million reimbursement during 2017 of previously expensed fees associated with a concluded internal investigation into a foreign entity formerly affiliated with a joint venture;
- a \$2.7 million decrease in sales tax reserve compared with the sales tax reserve in 2016; and
- organizational savings from our **2020 Vision** initiatives.

Restructuring and Related Expenses

Restructuring and related costs decreased by \$8.1 million, or 28.1%, during 2017, as compared to 2016, as a result of the completion of our **2020 Vision** organizational realignment and related employee severance in 2016.

Impairment Recovery

On May 31, 2017, we sold our Government Services business for \$35.5 million. Based on the initial offer of \$35.0 million received during the second quarter of 2017, we recorded a \$17.4 million impairment recovery to adjust the fair value of certain previously impaired assets. In connection with the sale, we recorded a pre-tax gain of approximately \$1.2 million, which is reflected as part of impairment (recovery) loss in the results of operations table above.

Interest Expense

Interest expense increased by \$8.8 million, or 84.3%, during 2017, as compared to 2016, primarily related to increased borrowings and higher relative interest rates under our new credit facility to fund the GCA acquisition.

Income Taxes

During 2017, we had an income tax provision of \$8.8 million, compared with an income tax benefit of \$10.4 million in the prior year. In 2017 we benefited from \$17.8 million related to expiring statutes of limitations for an uncertain tax position, compared with \$20.8 million in 2016. The 2017 period also benefited from \$3.6 million of excess tax benefits related to the vesting of share-based compensation awards and \$1.9 million of tax credits for energy efficient government buildings, compared with \$2.2 million and \$1.2 million in 2016, respectively. Additionally, in 2016 we benefited from Work Opportunity Tax Credits ("WOTC") of \$5.1 million from the retroactive reinstatement of the WOTC for calendar year 2015. Both periods benefited from in-year WOTC.

Loss from Discontinued Operations, Net of Taxes

Loss from discontinued operations, net of taxes was \$74.3 million during 2017 related to a legal reserve established in connection with the *Augustus* and *Karapetyan* settlement agreements. Refer to "Developments and Trends—Legal," above, for additional details.

Foreign Currency Translation

During 2017 we recognized as a component of our comprehensive income a foreign currency translation gain of \$9.7 million compared with a loss of \$26.3 million during 2016. This change was related to the U.S. Dollar ("USD") weakening against the Great Britain Pound ("GBP") during 2017. Future gains and losses on foreign currency translation will be dependent upon changes in the relative value of foreign currencies to the USD and the extent of our foreign assets and liabilities.

Segment Information

Our reportable segments consist of B&I, Aviation, Emerging Industries Group, Technical Solutions, and the newly acquired GCA Services. As the Government Services business has been sold and is no longer part of our ongoing operations, we have excluded a discussion of its 2017 results in this report. We have also excluded a discussion of the GCA Services segment based on the timing of the acquisition.

Financial Information for Each Reportable Segment

(\$ in millions)	Years Ended October 31,		Increase / (Decrease)	
	2017	2016		
Revenues				
Business & Industry	\$ 2,992.5	\$ 2,949.1	\$ 43.4	1.5%
Aviation	988.1	851.8	136.3	16.0%
Emerging Industries Group	777.1	801.9	(24.8)	(3.1)%
Technical Solutions	439.6	425.3	14.3	3.4%
GCA Services	169.7	—	169.7	NM*
Government Services	86.5	116.7	(30.2)	(25.8)%
	<u>\$ 5,453.6</u>	<u>\$ 5,144.7</u>	<u>\$ 308.9</u>	<u>6.0%</u>
Operating profit (loss)				
Business & Industry	\$ 154.0	\$ 135.4	\$ 18.6	13.7%
Operating profit margin	5.1%	4.6%	56 bps	
Aviation	28.8	27.7	1.1	3.8%
Operating profit margin	2.9%	3.3%	(34) bps	
Emerging Industries Group	45.9	61.0	(15.1)	(24.9)%
Operating profit margin	5.9%	7.6%	(171) bps	
Technical Solutions	39.0	28.9	10.1	34.8%
Operating profit margin	8.9%	6.8%	207 bps	
GCA Services	3.4	—	3.4	NM*
Operating profit margin	2.0%	NM*	NM*	
Government Services	21.8	(23.4)	45.2	NM*
Operating profit (loss) margin	25.2%	(20.1)%	NM*	
Corporate	(185.0)	(167.2)	(17.8)	(10.7)%
Adjustment for income from unconsolidated affiliates, net, included in Aviation and Government Services	(4.1)	(6.5)	2.4	37.3%
Adjustment for tax credits for energy efficient government buildings, included in Technical Solutions	(1.9)	(1.2)	(0.7)	(52.9)%
	<u>\$ 101.9</u>	<u>\$ 54.7</u>	<u>\$ 47.2</u>	<u>86.2%</u>

* Not meaningful

Business & Industry

(\$ in millions)	Years Ended October 31,		Increase	
	2017	2016		
Revenues	\$ 2,992.5	\$ 2,949.1	\$ 43.4	1.5%
Operating profit	154.0	135.4	18.6	13.7%
Operating profit margin	5.1%	4.6%	56 bps	

B&I revenues increased by \$43.4 million, or 1.5%, during 2017, as compared to 2016. The increase was primarily attributable to new janitorial business, including new contract wins in the U.K. and additional tag revenue, as well as expansion of existing facility services accounts. Management reimbursement revenues for this segment totaled \$234.2 million and \$227.8 million during 2017 and 2016, respectively.

Operating profit increased by \$18.6 million, or 13.7%, during 2017, as compared to 2016. Operating profit margin increased by 56 bps to 5.1% in 2017 from 4.6% in 2016. The increase in operating profit margin was primarily

associated with higher margin revenues, cost control savings from our **2020 Vision** initiatives, and lower legal settlement costs. This increase was partially offset by reserves recorded for multiemployer union benefit obligations from previous years and by lower profit margins associated with certain leased location arrangements.

Aviation

(\$ in millions)	Years Ended October 31,		Increase / (Decrease)	
	2017	2016		
Revenues	\$ 988.1	\$ 851.8	\$ 136.3	16.0%
Operating profit	28.8	27.7	1.1	3.8%
Operating profit margin	2.9%	3.3%	(34) bps	

Aviation revenues increased by \$136.3 million, or 16.0%, during 2017, as compared to 2016. The increase was primarily attributable to organic growth in parking, transportation, passenger services, cabin cleaning, and facility services. Management reimbursement revenues for this segment totaled \$80.4 million and \$78.2 million during 2017 and 2016, respectively.

Operating profit increased by \$1.1 million, or 3.8%, during 2017, as compared to 2016. Operating profit margin decreased by 34 bps to 2.9% in 2017 from 3.3% in 2016. The decrease in operating profit margin was primarily attributable to a contract termination during 2017 and operational issues in certain geographic markets. This decrease was partially offset by lower allocated costs from our **2020 Vision** initiatives and the absence of both a penalty imposed by a regulatory agency and a specific reserve established for a client receivable in 2016.

Emerging Industries Group

(\$ in millions)	Years Ended October 31,		Decrease	
	2017	2016		
Revenues	\$ 777.1	\$ 801.9	\$ (24.8)	(3.1)%
Operating profit	45.9	61.0	(15.1)	(24.9)%
Operating profit margin	5.9%	7.6%	(171) bps	

Emerging Industries Group revenues decreased by \$24.8 million, or 3.1%, during 2017, as compared to 2016. The decrease was primarily related to the losses of certain High Tech and Education facility services accounts. The decrease in revenues for this segment was partially offset by net new janitorial business in the Healthcare and Education industry groups.

Operating profit decreased by \$15.1 million, or 24.9%, during 2017, as compared to 2016. Operating profit margin decreased by 171 bps to 5.9% in 2017 from 7.6% in 2016. The decrease in operating profit margin was primarily attributable to lower contribution margin from certain High Tech contracts, including the loss of a multi-location janitorial account, higher allocated costs from our **2020 Vision** initiatives, and reserves recorded for multiemployer union benefit obligations from previous years.

Technical Solutions

(\$ in millions)	Years Ended October 31,		Increase	
	2017	2016		
Revenues	\$ 439.6	\$ 425.3	\$ 14.3	3.4%
Operating profit	39.0	28.9	10.1	34.8%
Operating profit margin	8.9%	6.8%	207 bps	

Technical Solutions revenues increased by \$14.3 million, or 3.4%, during 2017, as compared to 2016. The increase was primarily attributable to incremental revenues from acquisitions of \$18.1 million and higher project revenues, partially offset by the completion of a large ESPC project.

Operating profit increased by \$10.1 million, or 34.8%, during 2017, as compared to 2016. Operating profit margin increased by 207 bps to 8.9% in 2017 from 6.8% in 2016. The increase in operating profit margin was primarily attributable to the completion of a relatively lower margin ESPC project that started in 2016, the management of our

selling, general and administrative expenses, a reduction in bad debt, and higher operational tax credits for energy efficient government building projects.

Corporate

(\$ in millions)	Years Ended October 31,		Increase	
	2017	2016		
Corporate expenses	\$ 185.0	\$ 167.2	\$ 17.8	10.7%

Corporate expenses increased by \$17.8 million, or 10.7%, during 2017, as compared to 2016. The increase in corporate expenses was primarily related to:

- \$24.2 million of transaction expenses related to the GCA acquisition;
- an \$8.1 million increase in costs associated with 2020 Vision technology investments;
- a \$5.8 million increase in other costs to support our 2020 Vision initiatives;
- a \$5.1 million increase in legal settlement costs, including a settlement relating to a case alleging certain minimum wage violations; and
- a \$2.3 increase in legal expenses.

This increase was partially offset by:

- a \$10.9 million decrease in self-insurance expense related to prior year claims as a result of an actuarial evaluation completed during 2017;
- a \$7.8 million decrease in restructuring and related costs as a result of the completion of our 2020 Vision organizational realignment;
- the absence of a \$5.2 million specific reserve established during 2016 for a portion of a client receivable that is the subject of ongoing litigation;
- a \$3.2 million reimbursement during 2017 of previously expensed fees associated with a concluded internal investigation into a foreign entity formerly affiliated with a joint venture; and
- a \$1.9 million decrease in sales tax reserve.

The Year Ended October 31, 2016 Compared with the Year Ended October 31, 2015

Consolidated

(\$ in millions)	Years Ended October 31,		Increase / (Decrease)	
	2016	2015		
Revenues	\$ 5,144.7	\$ 4,897.8	\$ 246.9	5.0%
Expenses				
Operating expenses	4,603.4	4,392.3	211.1	4.8%
<i>Gross margin</i>	10.5%	10.3%	20 bps	
Selling, general and administrative expenses	410.1	395.0	15.1	3.8%
Restructuring and related expenses	29.0	12.7	16.3	NM*
Amortization of intangible assets	25.0	24.2	0.8	3.1%
Impairment loss	22.5	—	22.5	100.0%
Operating profit	54.7	73.6	(18.9)	(25.6)%
Income from unconsolidated affiliates, net	7.6	9.0	(1.4)	(15.2)%
Interest expense	(10.4)	(10.2)	(0.2)	(2.3)%
Income from continuing operations before income taxes	51.9	72.4	(20.5)	(28.3)%
Income tax benefit (provision)	10.4	(18.3)	28.7	NM*
Income from continuing operations	62.3	54.1	8.2	15.2%
(Loss) income from discontinued operations, net of taxes	(5.1)	22.2	(27.3)	NM*
Net income	57.2	76.3	(19.1)	(25.0)%
Other comprehensive loss				
Foreign currency translation	(26.3)	(2.2)	(24.1)	NM*
Other, net of taxes	(0.2)	(0.1)	(0.1)	89.1%
Comprehensive income	\$ 30.7	\$ 74.0	\$ (43.3)	(58.5)%

*Not meaningful

Revenues

Revenues increased by \$246.9 million, or 5.0%, during 2016, as compared to 2015. The increase in revenues was attributable to organic growth in Aviation, B&I, Technical Solutions, and Emerging Industries Group and to \$101.9 million of incremental revenues from acquisitions. This increase was partially offset by the completion of certain Government Services contracts.

Operating Expenses

Operating expenses increased by \$211.1 million, or 4.8%, during 2016, as compared to 2015. Gross margin increased by 20 bps to 10.5% in 2016 from 10.3% in 2015. The increase in gross margin was primarily attributable to higher revenue contribution from our Technical Solutions business and savings from our 2020 Vision initiatives and the related timing of open positions. This increase was partially offset by higher insurance expense due to an increase in the rate used to record our insurance reserves and one more working day during 2016.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by \$15.1 million, or 3.8%, during 2016, as compared to 2015. The increase in selling, general and administrative expenses was primarily related to:

- \$12.9 million of incremental selling, general and administrative expenses related to acquisitions;
- a \$10.1 million increase in bad debt expense primarily associated with specific reserves established for client receivables;
- \$3.9 million higher outside services costs as a result of our 2020 Vision initiatives; and
- a \$3.3 million increase in sales tax reserve for certain sales tax audits.

The increase was partially offset by:

- the absence of \$4.6 million in severance expense related to the departures of our former CEO and CFO;
- a \$4.3 million year-over-year decrease in medical and dental expense as a result of actuarial evaluations completed in the three months ended April 30, 2016;
- \$4.0 million lower compensation and related expenses primarily related to savings from our **2020 Vision**; and
- a \$2.4 million decrease in legal fees and settlement costs.

Restructuring and Related Expenses

Restructuring and related costs increased by \$16.3 million during 2016, as compared to 2015, in connection with our **2020 Vision**.

Impairment Loss

We recognized a \$22.5 million impairment loss during 2016 associated with the Government Services business.

Income Taxes

Our income taxes for 2016 were favorably impacted by a benefit of \$20.8 million related to expiring statutes of limitations for an uncertain tax position, \$6.7 million of WOTC related to new hires in 2016, \$5.1 million of WOTC from the retroactive reinstatement of the WOTC for calendar year 2015, \$2.2 million of excess tax benefits related to the vesting of share-based compensation awards, and \$1.2 million of tax credits for energy efficient government buildings.

Loss from Discontinued Operations, Net of Taxes

Loss from discontinued operations, net of taxes was \$5.1 million in 2016, a deterioration of \$27.3 million, as compared to income from discontinued operations, net of taxes of \$22.2 million during 2015. We sold our Security business in 2015 and recognized a corresponding gain on the sale. The loss in 2016 was associated with costs related to this disposed business.

Foreign Currency Translation

During 2016 we recognized as a component of our comprehensive income a foreign currency translation loss of \$26.3 million compared with a loss of \$2.2 million during 2015. This change was related to the GBP weakening against the USD. Future gains and losses on foreign currency translation will be dependent upon changes in the relative value of foreign currencies to the USD and the extent of our foreign assets and liabilities.

Segment Information

Financial Information for Each Reportable Segment

(\$ in millions)	Years Ended October 31,		Increase / (Decrease)	
	2016	2015		
Revenues				
Business & Industry	\$ 2,949.1	\$ 2,890.3	\$ 58.8	2.0%
Aviation	851.8	790.0	61.8	7.8%
Emerging Industries Group	801.9	777.0	24.9	3.2%
Technical Solutions	425.3	296.9	128.4	43.3%
Government Services	116.7	143.7	(27.0)	(18.8)%
	<u>\$ 5,144.7</u>	<u>\$ 4,897.8</u>	<u>\$ 246.9</u>	<u>5.0%</u>
Operating profit (loss)				
Business & Industry	\$ 135.4	\$ 145.5	\$ (10.1)	(6.9)%
Operating profit margin	4.6%	5.0%	(44) bps	
Aviation	27.7	28.8	(1.1)	(3.8)%
Operating profit margin	3.3%	3.7%	(39) bps	
Emerging Industries Group	61.0	50.4	10.6	21.1%
Operating profit margin	7.6%	6.5%	112 bps	
Technical Solutions	28.9	17.7	11.2	63.8%
Operating profit margin	6.8%	5.9%	85 bps	
Government Services	(23.4)	2.9	(26.3)	NM*
Operating profit margin	(20.1)%	2.0%	NM*	
Corporate	(167.2)	(160.7)	(6.5)	(4.1)%
Adjustment for income from unconsolidated affiliates, net, included in Aviation and Government Services	(6.5)	(9.0)	2.5	(28.2)%
Adjustment for tax credits for energy efficient government buildings, included in Technical Solutions	(1.2)	(2.0)	0.8	(38.2)%
	<u>\$ 54.7</u>	<u>\$ 73.6</u>	<u>\$ (18.9)</u>	<u>(25.6)%</u>

*Not meaningful

Business & Industry

(\$ in millions)	Years Ended October 31,		Increase / (Decrease)	
	2016	2015		
Revenues	\$ 2,949.1	\$ 2,890.3	\$ 58.8	2.0%
Operating profit	135.4	145.5	(10.1)	(6.9)%
Operating profit margin	4.6%	5.0%	(44) bps	

Business & Industry revenues increased by \$58.8 million, or 2.0%, during 2016, as compared to 2015. The increase was primarily attributable to the expansion of existing janitorial accounts, including additional tag revenue. Management reimbursement revenues for this segment totaled \$227.8 million and \$216.6 million during 2016 and 2015, respectively.

Operating profit decreased by \$10.1 million, or 6.9%, during 2016, as compared to 2015. Operating profit margin decreased by 44 bps to 4.6% in 2016 from 5.0% in 2015. The decrease in operating profit margin was primarily attributable to higher insurance expense, lower profit margins associated with certain leased location arrangements, one more working day during 2016, and the absence of a gain from a property sale. This decrease was partially offset by savings from our **2020 Vision** initiatives and the related timing of open positions.

Aviation

(\$ in millions)	Years Ended October 31,		Increase / (Decrease)	
	2016	2015		
Revenues	\$ 851.8	\$ 790.0	\$ 61.8	7.8%
Operating profit	27.7	28.8	(1.1)	(3.8)%
Operating profit margin	3.3%	3.7%	(39) bps	

Aviation revenues increased by \$61.8 million, or 7.8%, during 2016, as compared to 2015. The increase was primarily attributable to organic growth in parking, cabin cleaning, and passenger services. Management reimbursement revenues for this segment totaled \$78.2 million and \$71.7 million during 2016 and 2015, respectively.

Operating profit decreased by \$1.1 million, or 3.8%, during 2016, as compared to 2015. Operating profit margin decreased by 39 bps to 3.3% in 2016 from 3.7% in 2015. The decrease in operating profit margin was primarily attributable to higher insurance expense and a penalty imposed by a regulatory agency. Also negatively impacting operating profit margin was the operations in one region of a large multi-regional contract during the three months ended January 31, 2016. Through corrective steps, we improved the profitability of this contract within the impacted region. This decrease in operating profit margin was partially offset by lower amortization expense of intangible assets.

Emerging Industries Group

(\$ in millions)	Years Ended October 31,		Increase	
	2016	2015		
Revenues	\$ 801.9	\$ 777.0	\$ 24.9	3.2%
Operating profit	61.0	50.4	10.6	21.1%
Operating profit margin	7.6%	6.5%	112 bps	

Emerging Industries Group revenues increased by \$24.9 million, or 3.2%, during 2016, as compared to 2015. The increase was primarily related to net new Education and High Tech business, partially offset by the completion of certain Healthcare contracts.

Operating profit increased by \$10.6 million, or 21.1%, during 2016, as compared to 2015. Operating profit margin increased by 112 bps to 7.6% in 2016 from 6.5% in 2015. This increase in operating profit margin was primarily attributable to improved margins on existing Healthcare contracts, higher contribution margin from certain High Tech accounts, and savings from our **2020 Vision** initiatives and the related timing of open positions. This increase was partially offset by higher insurance expense and one more working day during 2016.

Technical Solutions

(\$ in millions)	Years Ended October 31,		Increase	
	2016	2015		
Revenues	\$ 425.3	\$ 296.9	\$ 128.4	43.3%
Operating profit	28.9	17.7	11.2	63.8%
Operating profit margin	6.8%	5.9%	85 bps	

Technical Solutions revenues increased by \$128.4 million, or 43.3%, during 2016, as compared to 2015. The increase was primarily attributable to incremental revenues from acquisitions of \$97.0 million and a large ESPC project.

Operating profit increased by \$11.2 million, or 63.8% during 2016, as compared to 2015. Operating profit margin increased by 85 bps to 6.8% in 2016 from 5.8% in 2015. The increase in operating profit margin was attributable to savings from our **2020 Vision** initiatives.

Government Services

(\$ in millions)	Years Ended October 31,			Decrease	
	2016	2015			
Revenues	\$ 116.7	\$ 143.7	\$	(27.0)	(18.8)%
Operating (loss) profit	(23.4)	2.9		(26.3)	NM*
Operating profit margin	(20.1)%	2.0%		NM*	

*Not meaningful

Revenues from our Government Services segment decreased by \$27.0 million, or 18.8%, during 2016, as compared to 2015. The decrease was primarily attributable to the completion of certain healthcare projects.

Operating loss was \$23.4 million during 2016, a decrease of \$26.3 million, as compared to operating profit of \$2.9 million during 2015. The decrease in operating profit was primarily attributable to the \$22.5 million impairment charge associated with the held-for-sale classification.

Corporate

(\$ in millions)	Years Ended October 31,			Increase	
	2016	2015			
Corporate expenses	\$ 167.2	\$ 160.7	\$	6.5	4.1%

Corporate expenses increased by \$6.5 million, or 4.1%, during 2016, as compared to 2015. The increase in corporate expenses was primarily related to:

- a \$16.9 million increase in restructuring and related costs, net of the reversal of share-based compensation expense, in connection with our **2020 Vision** initiatives;
- a \$5.2 million increase in bad debt expense related to a specific reserve established for a client receivable that is the subject of ongoing litigation;
- a \$3.4 million increase in compensation and related expenses primarily due to the impact of annual salary increases and the absence of a bonus reversal related to certain incentive plans in the prior year;
- a \$3.3 million increase in sales tax reserve for certain sales tax audits; and
- \$1.7 million higher outside services costs incurred as a result of our **2020 Vision**.

This increase was partially offset by:

- a \$4.7 million decrease in legal fees and settlement costs;
- the absence of \$4.6 million in severance expense related to the departures of our former CEO and CFO;
- a \$4.3 million year-over-year decrease in medical and dental expense as a result of actuarial evaluations completed in the three months ended April 30, 2016;
- \$4.1 million in savings from our **2020 Vision**; and
- a \$3.0 million year-over-year decrease in self-insurance expense related to prior year claims as a result of actuarial evaluations completed in 2016.

Liquidity and Capital Resources

Our primary sources of liquidity are operating cash flows and borrowing capacity under our credit facility. We assess our liquidity in terms of our ability to generate cash to fund our short- and long-term cash requirements. As such, we project our anticipated cash requirements as well as cash flows generated from operating activities to meet those needs.

In addition to normal working capital requirements, we anticipate that our short- and long-term cash requirements will include funding legal settlements, insurance claims, dividend payments, capital expenditures, and integration costs related to the GCA acquisition. We anticipate long-term cash uses will also include strategic acquisitions and share repurchases.

We believe that our operating cash flows and borrowing capacity under our credit facility are sufficient to fund our cash requirements for the next twelve months. In the event that our plans change or our cash requirements are greater than we anticipate, we may need to access the capital markets to finance future cash requirements. However, there can be no assurance that such financing will be available to us should we need it or, if available, that the terms will be satisfactory to us and not dilutive to existing shareholders.

On a long-term basis, we will continue to rely on our credit facility for any long-term funding not provided by operating cash flows. In addition, we anticipate that future cash generated from operations will be augmented by working capital improvements driven by our **2020 Vision**, such as the management of costs through consolidated procurement.

IFM Assurance Company ("IFM") is a wholly-owned captive insurance company that we formed in 2015. IFM is part of our enterprise-wide, multi-year insurance strategy that is intended to better position our risk and safety programs and provide us with increased flexibility in the end-to-end management of our insurance programs. IFM began providing coverage to us as of January 1, 2015. We had accelerated cash tax savings related to coverage provided by IFM of approximately \$10 million in both 2017 and 2016 and approximately \$20 million in 2015. We project accelerated cash tax savings for 2018 to be approximately \$10 million.

Credit Facility

On September 1, 2017, we refinanced and replaced our existing \$800.0 million credit facility with a new senior, secured five-year syndicated credit facility (the "Credit Facility"), consisting of a \$900.0 million revolving line of credit and an \$800.0 million amortizing term loan, scheduled to mature on September 1, 2022. The line of credit reduces to \$800.0 million after one year. Borrowings under the Credit Facility were used to finance, in part, the cash portion of the purchase price related to the GCA acquisition, refinance certain existing indebtedness of ABM, and pay transaction costs.

At October 31, 2017, the total outstanding borrowings under our Credit Facility in the form of cash borrowings and standby letters of credit were \$1.2 billion and \$146.4 million, respectively. At October 31, 2017, we had up to \$350.8 million of borrowing capacity under the Credit Facility, however covenant restrictions limited our borrowing capacity to \$282.0 million.

Our ability to draw down available capacity under the Credit Facility is subject to, and limited by, compliance with certain financial covenants, which include a maximum leverage ratio of 4.75 to 1.0 that steps down to 3.50 to 1.0 by July 2020 and a minimum fixed charge coverage ratio of 1.50 to 1.0. Other covenants under the Credit Facility include limitations on liens, dispositions, fundamental changes, investments, and certain transactions and payments. At October 31, 2017, we were in compliance with these covenants and expect to be in compliance in the foreseeable future.

Reinvestment of Foreign Earnings

We plan to reinvest our foreign earnings to fund future non-U.S. growth and expansion. As a result, we do not anticipate remitting such earnings to the United States and have not provided for federal and state income taxes or foreign withholding taxes that may result if such earnings of our foreign subsidiaries are remitted to the United States. We believe that our cash on hand in the United States, along with our Credit Facility and future domestic cash flows, are sufficient to satisfy our domestic liquidity requirements.

Proceeds from Federal Energy Savings Performance Contracts

As part of our Technical Solutions business, we enter into ESPCs with the federal government pursuant to which we agree to develop, design, engineer, and construct a project and guarantee that the project will satisfy agreed-upon performance standards. Proceeds from ESPC projects are generally received in advance of construction through agreements to sell the ESPC receivables to unaffiliated third parties. We use the advances from the third parties under these agreements to finance the projects, which are recorded as cash flows from financing activities. The use of the cash received under these arrangements to pay project costs is classified as operating cash flows.

Effect of Inflation

The rates of inflation experienced in recent years have not had a material impact on our financial statements. We attempt to recover increased costs by increasing prices for our services, to the extent permitted by contracts and competition.

Regulatory Environment and Environmental Compliance

Our operations are subject to various federal, state, and/or local laws regulating the discharge of materials into the environment or otherwise relating to the protection of the environment, such as discharge into soil, water, and air, and the generation, handling, storage, transportation, and disposal of waste and hazardous substances. In addition, from time to time we are involved in environmental matters at certain of our locations or in connection with our operations. Historically, the cost of complying with environmental laws or resolving environmental issues relating to locations or operations in the United States or abroad has not had a material adverse effect on our financial position, results of operations, or cash flows. We do not believe that the resolution of matters known at this time will be material.

Share Repurchases

On September 2, 2015, our Board of Directors authorized a program to repurchase up to \$200.0 million shares of our common stock. Purchases may take place on the open market or otherwise, and all or part of the repurchases may be made pursuant to Rule 10b5-1 plans or in privately negotiated transactions. The timing of repurchases is at our discretion and will depend upon several factors, including market and business conditions, future cash flows, share price, and share availability. Repurchased shares are retired and returned to an authorized but unissued status. The repurchase program may be suspended or discontinued at any time without prior notice. At October 31, 2017, authorization for \$134.1 million of repurchases remained under our share repurchase program. We do not anticipate additional repurchases in the near future.

Repurchase Activity

	Years Ended October 31,		
	2017	2016	2015
<i>(in millions, except per share amounts)</i>			
Total number of shares purchased	0.2	1.4	1.0
Average price paid per share	\$ 40.07	\$ 33.48	\$ 30.72
Total cash paid for share repurchases	\$ 7.9	\$ 46.6	\$ 31.4

Cash Flows

In addition to revenues and operating profit, our management views operating cash flows as a good indicator of financial performance, because strong operating cash flows provide opportunities for growth both organically and through acquisitions. Net cash provided by operating activities of continuing operations was \$101.7 million during 2017. Operating cash flows primarily depend on: revenue levels; the quality and timing of collections of accounts receivable; the timing of payments to suppliers and other vendors; the timing and amount of income tax payments; and the timing and amount of payments on insurance claims and legal settlements.

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
Net cash provided by operating activities of continuing operations	\$ 101.7	\$ 110.5	\$ 145.5
Net cash (used in) provided by operating activities of discontinued operations	(96.1)	(27.0)	0.9
Net cash provided by operating activities	5.6	83.5	146.4
Net cash used in investing activities of continuing operations	(871.8)	(131.7)	(40.5)
Net cash (used in) provided by investing activities of discontinued operations	—	(3.1)	130.9
Net cash (used in) provided by investing activities	(871.8)	(134.8)	90.4
Net cash provided by (used in) financing activities	874.0	52.6	(216.9)

Operating Activities of Continuing Operations

Net cash provided by operating activities of continuing operations decreased by \$8.8 million during 2017, as compared to 2016. The decrease was primarily related to the timing of client receivable collections and income taxes payable, but was partially offset by the timing of vendor payments.

Net cash provided by operating activities of continuing operations decreased by \$35.0 million during 2016, as compared to 2015. The decrease was primarily related to the timing of ESPC projects and trade receivable collections, as well as the timing of vendor payments. This decrease was partially offset by the timing of tax payments.

Operating Activities of Discontinued Operations

Net cash used in operating activities of discontinued operations increased by \$69.1 million during 2017, as compared to 2016. This increase was primarily attributable to the payment of \$120.0 million to settle the Augustus and Karapetyan cases, compared to the \$20.0 million in taxes paid related to the sale of the Security business in 2016.

Net cash used in operating activities of discontinued operations increased by \$27.9 million during 2016, as compared to 2015. This increase was primarily attributable to \$20.0 million in taxes paid related to the sale of the Security business in 2016.

Investing Activities of Continuing Operations

Net cash used in investing activities of continuing operations increased by \$740.1 million during 2017, as compared to 2016. The increase was primarily related to a \$757.6 million year-over-year increase in cash paid, net of cash acquired, for acquisitions, largely due to the GCA acquisition.

Net cash used in investing activities of continuing operations increased by \$91.2 million during 2016, as compared to 2015. The increase was primarily related to a \$76.8 million year-over-year increase in cash paid, net of cash acquired, for acquisitions.

Investing Activities of Discontinued Operations

Net cash used in investing activities of discontinued operations decreased by \$3.1 million during 2017, as compared to 2016. The decrease was related to the absence of the final working capital adjustment from the sale of the Security business.

Net cash used in investing activities of discontinued operations was \$3.1 million in 2016, a decrease of \$134.0 million, as compared to net cash provided by investing activities of discontinued operations of \$130.9 million during 2015. We sold our Security business in 2015 and recognized \$131.0 million of cash proceeds from the sale. The cash used in 2016 was associated with the payment of \$3.1 million in settlement of the final working capital adjustment from the sale.

Financing Activities

Net cash provided by financing activities increased by \$821.4 million during 2017, as compared to 2016. The increase was primarily related to higher net borrowings of \$812.6 million associated with greater financing activity in the fourth quarter of 2017 to fund the GCA acquisition and \$38.7 million in lower common stock repurchases. This increase was offset by \$18.7 million of deferred financing costs paid on the new credit facility and \$15.8 million of lower proceeds from ESPC projects during 2017.

The change in net cash provided by financing activities was \$269.5 million in 2016 when compared to 2015. During 2016, our net cash provided by financing activities of \$52.6 million was primarily a result of borrowings from our line of credit to fund two acquisitions made in 2016. During 2015, our net cash used in financing activities of \$216.9 million was a result of the repayment of borrowings from our line of credit primarily resulting from the cash proceeds from the sale of our Security business. Also contributing to the change in net cash provided by financing activities was a \$17.4 million increase in proceeds from ESPC projects, partially offset by higher common stock repurchases of \$15.2 million.

Dividends

On December 13, 2017, we announced a quarterly cash dividend of \$0.175 per share on our common stock, payable on February 5, 2018. We declared a quarterly cash dividend on our common stock every quarter during 2017, 2016, and 2015. We paid total annual dividends of \$39.5 million, \$36.9 million, and \$36.0 million during 2017, 2016, and 2015, respectively.

Contractual Obligations

(in millions)

Contractual Obligations	Commitments Due By Period				
	Total	2018	2019-2020	2021-2022	Thereafter
Borrowings under term loan ⁽¹⁾	\$ 800.0	\$ 20.0	\$ 100.0	\$ 680.0	\$ —
Borrowings under line of credit ⁽¹⁾	391.2	—	—	391.2	—
Fixed interest related to interest rate swaps ⁽²⁾	44.4	9.5	18.9	16.0	—
Operating leases and other similar commitments ⁽³⁾	319.0	79.7	89.0	65.5	84.8
Capital leases ⁽³⁾	12.6	3.1	6.1	3.0	0.3
Information technology service agreements ⁽⁴⁾	26.4	11.8	11.6	3.0	—
Benefit obligations ⁽⁵⁾	31.3	7.6	5.4	4.7	13.7
Total	\$ 1,624.8	\$ 131.8	\$ 231.0	\$ 1,163.4	\$ 98.8

⁽¹⁾ Borrowings under our term loan and line of credit are presented at face value.

⁽²⁾ Our estimates of future interest payments are calculated based on our hedged borrowings under our Credit Facility, using the fixed rates under our interest rate swap agreements for the applicable notional amounts. See Note 12, "Credit Facility," in the Financial Statements for additional disclosure related to our interest rate swaps. We exclude interest payments on our remaining borrowings from this table because the cash outlay for the interest is unknown. The interest payments on the borrowings under the Credit Facility will be determined based upon the average outstanding balance of our borrowings and the prevailing interest rate during that time.

⁽³⁾ Reflects our contractual obligations to make future payments under non-cancelable operating leases, capital lease agreements, and other similar commitments for various facilities, vehicles, and other equipment.

⁽⁴⁾ Reflects our contractual obligations to make future payments for outsourced services and licensing costs pursuant to our information technology agreements.

⁽⁵⁾ Reflects future expected payments relating to our defined benefit, postretirement, and deferred compensation plans. These amounts are based on expected future service and were calculated using the same assumptions used to measure our benefit obligation at October 31, 2017.

In addition to our company sponsored plans, we participate in certain multiemployer pension and other postretirement plans. The cost of these plans is equal to the annual required contributions determined in accordance with the provisions of negotiated collective bargaining arrangements. During 2017, 2016, and 2015, contributions made to these plans were \$316.4 million, \$290.4 million, and \$282.1 million, respectively; however, our future contributions to the multiemployer plans are dependent upon a number of factors, including the funded status of the plans, the ability of other participating companies to meet ongoing funding obligations, and the level of our ongoing participation in these plans. As the amount of future contributions that we would be contractually obligated to make pursuant to these plans cannot be reasonably estimated, such amounts have been excluded from the above table. See Note 13, "Employee Benefit Plans," in the Financial Statements for more information.

At October 31, 2017, our total liability for unrecognized tax benefits was \$16.3 million. The resolution or settlement of these tax positions with the taxing authorities is subject to significant uncertainty, and therefore we are unable to make a reliable estimate of the amount or timing of cash that may be required to settle these matters. In addition, certain of these matters may not require cash settlements due to the exercise of credits and net operating loss carryforwards as well as other offsets, including the indirect benefit from other taxing jurisdictions that may be available.

We have no off-balance sheet arrangements other than unrecorded standby letters of credit and surety bonds. We use letters of credit and surety bonds in the ordinary course of business to ensure the performance of contractual obligations and to collateralize self-insurance obligations in the event we are unable to meet our claim payment obligations. As we already have reserves on our books for the claims costs, these do not represent additional liabilities. The bonds typically remain in force for one to five years and may include optional renewal periods. As of October 31, 2017, these letters of credit and surety bonds totaled \$146.4 million and \$486.2 million, respectively. Included in the total amount of surety bonds is \$2.5 million of bonds with an effective date starting after October 31, 2017. Neither of these arrangements has a material current effect, or is reasonably likely to have a material future effect, on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in accordance with United States generally accepted accounting principles requires our management to make certain estimates that affect the reported amounts. We base our estimates on historical experience, known or expected trends, independent valuations, and various other assumptions that we believe to be reasonable under the circumstances. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. We believe the following critical accounting policies govern the more significant judgments and estimates used in the preparation of our financial statements.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
<p>Allowance for Doubtful Accounts</p> <p>We estimate the allowance for doubtful accounts based on a variety of factors, including an analysis of the historical rate of credit losses or write-offs, specific client concerns, and known or expected trends.</p>	<p>The determination of our allowance for doubtful accounts contains uncertainties because it requires our management to make assumptions and apply judgment about future uncollectible accounts.</p> <p>Actual write-offs and adjustments could differ from the allowance estimates due to unanticipated changes in the business environment as well as factors and risks associated with specific clients.</p> <p>In addition, adverse developments in negotiations or legal proceedings to obtain payment could result in the actual loss exceeding the estimated allowance.</p>	<p>We have not made any changes in the accounting methodology used to record our allowance for doubtful accounts during the past three years.</p> <p>A 10% change in our allowance for doubtful accounts would have affected net income by approximately \$1.5 million for 2017.</p>
<p>Customer Relationships</p> <p>When we acquire a company, we determine the fair value on the acquisition date of assets acquired and liabilities assumed.</p> <p>We anticipate that for most acquisitions we will exercise significant judgment in estimating the fair value of intangible assets.</p> <p>In a typical acquisition, customer relationships are our most significant definite-lived intangible asset. In valuing these relationships, we engage a third-party valuation expert to fair value these assets using a version of the income approach known as the “excess earnings method.”</p> <p>This method uses a discounted cash flow approach that is derived from historical information, future revenue and operating profit margins, contributory asset charges, and the selection of an appropriate discount rate.</p> <p>We consider this approach the most appropriate valuation technique because the inherent value of these assets is their ability to generate current and future income.</p>	<p>The customer attrition rate and expected revenue growth are two significant estimates used to derive the projected revenues and profitability in the customer relationships valuation. Both of these estimates are influenced by many factors, including historical financial information, estimated retention rates, and management's expectations for future customer growth as a combined company.</p> <p>Another estimate that impacts the valuation is the contributory charge for the acquired workforce, which involves management assumptions based on historical experience, including interview time and new hire productivity.</p> <p>The estimated life is determined by calculating the number of years necessary to obtain 90% of the value of the discounted cash flows of the relationships and is directly tied to the accuracy of the above assumptions.</p>	<p>We have not made any changes in the accounting methodology used to determine the fair value of customer relationships during the last three years.</p> <p>If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop the values of the identifiable intangible assets, we could record material impairment losses.</p> <p>With other assumptions held constant, a 10% increase in the calculated fair value of the GCA customer relationships would increase the annual amortization expense by \$4.2 million in 2018.</p> <p>See the “Amortization and Impairment of Long-Lived Assets” critical accounting policy for information about impairment evaluations.</p>

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
<p>Amortization and Impairment of Long-Lived Assets</p>	<p>Our impairment evaluations require us to apply judgment in determining whether a triggering event has occurred, including the evaluation of whether it is more likely than not that a long-lived asset will be disposed of significantly before the end of its previously estimated useful life. Incorrect estimation of useful lives may result in inaccurate depreciation and amortization charges over future periods leading to future impairment.</p>	<p>We have not made any changes in the accounting methodology used to evaluate the impairment of long-lived assets during the last three years.</p>
<p>We estimate the depreciable lives of our long-lived assets. For depreciable fixed assets, these depreciable lives are based on our accounting policy, which is intended to mirror the expected useful life of the asset.</p>	<p>Our impairment loss calculations contain uncertainties because they require management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting useful lives of the assets and selecting the discount rate that reflects the risk inherent in future cash flows.</p>	<p>Additionally, we have not made any changes to the estimated useful lives of our long-lived assets during the last three years.</p>
<p>In determining the estimated useful life of amortizable intangible assets, such as customer relationships, we consider historical and projected revenues and related customer attrition rates, as well as historical experience and industry norms as a benchmark.</p>	<p>The determination of fair value for held-for-sale businesses involves significant judgments and assumptions. Development of estimates of fair values in this circumstance is complex and is dependent upon, among other factors, the composition of assets in the disposal group, the comparability of the disposal group to similar market transactions, and negotiations with third-party purchasers. Such factors bear directly on the range of potential fair values and the selection of the best estimates.</p>	<p>If actual results are not consistent with the estimates and assumptions we used to calculate estimated future cash flows for impairment evaluations, we may be exposed to future impairment losses that could be material or subsequent impairment recoveries, leading to income statement volatility.</p>
<p>We evaluate our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. These events and circumstances include, but are not limited to: higher than expected attrition for customer relationships; a current expectation that a long-lived asset will be disposed of significantly before the end of its previously estimated useful life, such as when we classify a business as held for sale; a significant adverse change in the extent or manner in which we use a long-lived asset; or a change in its physical condition.</p>	<p></p>	<p>During 2016, when we classified our Government Services business as held for sale, we were required to measure that business at the lower of its carrying value or fair value less estimated costs to sell. As a result of significant underperformance relative to expected operating results, we determined the fair value of this business was less than the carrying amount, which resulted in the recognition of a long-lived asset impairment charge of \$15.3 million in 2016.</p>
<p>When one of these occurs, a recoverability test is performed that compares the projected undiscounted cash flows from the use and eventual disposition of an asset or asset group to its carrying amount. If the projected undiscounted cash flows are less than the carrying amount, we calculate an impairment loss. The impairment loss calculation compares the fair value, which is based on projected discounted cash flows, to the carrying value. We record an impairment loss if the carrying value exceeds the fair value.</p>	<p></p>	<p>During the second quarter of 2017, we received an offer from a strategic buyer to purchase this business for approximately \$35.0 million, which was higher than our estimate of fair value less costs to sell. As a result, we recorded an \$11.4 million impairment recovery to adjust the fair value of certain previously impaired assets to the valuation of the assets as implied by the agreed-upon sales price, less estimated costs to sell. We completed the sale for \$35.5 million, therefore we did not recognize a material gain on sale.</p>
<p>If we recognize an impairment loss, the adjusted carrying amount of the asset becomes the new cost basis.</p>	<p></p>	<p>See the "Impairment of Goodwill" critical accounting policy, below, for details about the Government Services goodwill impairment charge and subsequent recovery.</p>
<p>For a depreciable long-lived asset, the new cost basis will be depreciated (amortized) over the remaining estimated useful life of that asset.</p>	<p></p>	<p></p>

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
Impairment of Goodwill		
<p>We have elected to make the first day of our fourth quarter, August 1st, the annual impairment assessment date for goodwill. However, we could be required to evaluate the recoverability of goodwill more frequently if certain triggering events occur, such as a significant change in the business climate or the classification of a significant portion of our business as held for sale.</p>	<p>We estimate the fair value of each reporting unit using a combination of the income approach and the market approach.</p>	<p>We have not made any changes in the accounting methodology used to evaluate impairment of goodwill during the last three years, other than early adopting Accounting Standards Update 2017-04, <i>Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment</i>. In addition, on November 1, 2016, we reorganized our reportable segments and goodwill reporting units to reflect how we now manage our business by industry group.</p>
<p>We test the carrying value of goodwill for impairment at a “reporting unit” level by comparing the fair value of a reporting unit to its carrying amount. If the fair value of a reporting unit is less than its carrying value, an impairment charge will be recorded for the difference between the fair value and carrying value, but it is limited to the carrying value of the reporting unit’s goodwill.</p>	<p>The income approach incorporates the use of a discounted cash flow method in which the estimated future cash flows and terminal value are calculated for each reporting unit and then discounted to present value using an appropriate discount rate.</p>	<p>At October 31, 2017, we had \$1,864.2 million of goodwill. Our goodwill is included in the following segments:</p>
	<p>In making these estimates, the weighted average cost of capital is utilized to calculate the present value of future cash flows and terminal value. Many variables go into estimating future cash flows, including our future sales growth and operating results. When estimating our projected revenue growth and future operating results, we consider industry trends, economic data, and our competitive advantage.</p>	<p>\$473.3 million — B&I \$124.2 million — Aviation \$152.8 million — Emerging Industries Group \$180.0 million — Technical Solutions \$933.9 — Newly acquired GCA Services</p>
	<p>The market approach estimates fair value by using market comparables for reasonably similar public companies.</p>	<p>A goodwill impairment analysis was performed for each of our reporting units on both November 1, 2016 and August 1, 2017. Based on these studies, the implied fair value of each of our reporting units was substantially in excess of its carrying value. Therefore, we concluded there were no indicators of impairment. A 10% decrease in the estimated fair value of any of our reporting units would not have resulted in a different conclusion.</p>
	<p>The valuation of our reporting units requires significant judgment in evaluation of recent indicators of market activity and estimated future cash flows, discount rates, and other factors. Our impairment analyses contain inherent uncertainties due to uncontrollable events that could positively or negatively impact the anticipated future economic and operating conditions.</p>	<p>An impairment analysis was performed for our Government Services business when it was classified as held for sale at October 31, 2016, resulting in an impairment charge of \$6.0 million, based upon the estimated fair value of the business at the time of the assessment. As described in the “Amortization and Impairment of Long-Lived-Assets” critical accounting policy, above, during the second quarter of 2017 we received an offer from a strategic buyer to purchase this business for an amount in excess of our original estimate of fair value less costs to sell. In accordance with the held-for-sale accounting guidance, we recorded a full impairment recovery of the aforementioned \$6.0 million goodwill impairment in 2017.</p>

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
<p>Insurance Reserves</p> <p>We use a combination of insured and self-insurance programs to cover workers' compensation, general liability, automobile liability, property damage, and other insurable risks.</p> <p>Insurance claim liabilities represent our estimate of retained risks without regard to insurance coverage. We retain a substantial portion of the risk related to certain workers' compensation and medical claims. Liabilities associated with these losses include estimates of both claims filed and IBNR Claims.</p> <p>With the assistance of third-party actuaries, we periodically review our estimate of ultimate losses for IBNR Claims and adjust our required self-insurance reserves as appropriate. As part of this evaluation, we review the status of existing and new claim reserves as established by our third-party claims administrators.</p> <p>The third-party claims administrators establish the case reserves based upon known factors related to the type and severity of the claims, demographic factors, legislative matters, and case law, as appropriate.</p> <p>We compare actual trends to expected trends and monitor claims developments.</p> <p>The specific case reserves estimated by the third-party administrators are provided to an actuary who assists us in projecting an actuarial estimate of the overall ultimate losses for our self-insured or high deductible programs, which includes the case reserves plus an actuarial estimate of reserves required for additional developments, including IBNR Claims.</p> <p>We utilize the results of actuarial studies to estimate our insurance rates and insurance reserves for future periods and to adjust reserves, if appropriate, for prior years.</p>	<p>Our self-insurance liabilities contain uncertainties due to assumptions required and judgment used.</p> <p>Costs to settle our obligations, including legal and healthcare costs, could fluctuate and cause estimates of our self-insurance liabilities to change.</p> <p>Incident rates, including frequency and severity, could fluctuate and cause the estimates in our self-insurance liabilities to change.</p> <p>These estimates are subject to: changes in the regulatory environment; fluctuations in projected exposures, including payroll, revenues, and the number of vehicle units; and the frequency, lag, and severity of claims.</p> <p>The full extent of certain claims, especially workers' compensation and general liability claims, may not be fully determined for several years.</p> <p>In addition, if the reserves related to self-insurance or high deductible programs from acquired businesses are not adequate to cover damages resulting from future accidents or other incidents, we may be exposed to substantial losses arising from future developments of the claims.</p>	<p>We have not made any changes in the accounting methodology used to establish our self-insurance liabilities during the past three years.</p> <p>After analyzing the recent loss development patterns, comparing the loss development patterns against benchmarks, and applying actuarial projection methods to estimate the ultimate losses, we increased our total reserves for known claims as well as our estimate of the loss amounts associated with IBNR Claims for prior years by \$22.0 million, \$32.9 million, and \$35.9 million during 2017, 2016, and 2015, respectively.</p> <p>It is possible that actual results could differ from recorded self-insurance liabilities. A 10% change in our projected ultimate losses would have affected net income by approximately \$25.1 million for 2017.</p>

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
<p>Revenue Recognition</p> <p>We earn revenue under various types of service contracts. In all forms of service we provide, revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is fixed or determinable, and collectability is reasonably assured. The various types of service contracts are described below.</p> <p>Monthly Fixed-Price These arrangements are contracts in which the client agrees to pay a fixed fee every month over a specified contract term. A variation of a fixed-price arrangement is a square-foot arrangement, under which monthly billings are based on the actual square footage serviced.</p> <p>Cost-Plus These arrangements are contracts in which the clients reimburse us for the agreed-upon amount of wages and benefits, payroll taxes, insurance charges, and other expenses associated with the contracted work, plus a profit margin.</p> <p>Tag Services Tag work generally consists of supplemental services requested by clients outside of the standard service specification and includes cleanup after tenant moves, construction cleanup, flood cleanup, and snow removal.</p> <p>Transaction-Price These are agreements in which the clients are billed for each transaction performed on a monthly basis (e.g., wheelchair passengers served or aircrafts cleaned).</p> <p>Hourly These arrangements are contracts in which the client is billed a set hourly rate for each labor hour provided.</p> <p>Management Reimbursement Under these parking arrangements, we manage a parking facility for a management fee and pass through the revenue and expenses associated with the facility to the owner. These revenues and expenses are reported in equal amounts as costs reimbursed from our managed locations.</p>	<p>For our service contracts, the determination of the sales allowance contains uncertainties because it requires our management to make assumptions and apply judgment about the amount and timing of indeterminable billing errors and disputes.</p> <p>For certain ESPC and fixed-price repair and refurbishment arrangements for which we recognize revenue under the percentage-of-completion method, recognition of profit is dependent upon the accuracy of a variety of estimates, including:</p> <ol style="list-style-type: none"> (1) engineering progress; (2) achievement of milestones; (3) incentives; (4) labor productivity; and (5) cost estimates. <p>Such estimates are based on various professional judgments made with respect to those factors and are subject to change as each project proceeds and new information becomes available.</p>	<p>We have not made any changes in the accounting methodology used to record our sales allowance or to recognize revenue under the percentage-of-completion method during the past three years.</p> <p>For contracts where the percentage-of-completion method is used to recognize revenue, if actual costs differ from our assumptions, the amount of revenue and the related gross profit recognized will also fluctuate. As revenue earned under these types of contracts represent a small portion of our total revenue, any revisions to our estimated costs would not have a significant impact on our revenue or operating profit.</p> <p>A 10% change in our sales allowance would have affected net income by approximately \$0.5 million for 2017.</p>

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
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Revenue Recognition (continued)

Leased Location

Under these parking arrangements, we generally pay to the property owner a fixed amount of rent, plus a percentage of revenues derived from monthly and transient parkers. We retain all revenues and we are responsible for most operating expenses incurred.

Allowance

Under these parking arrangements, we are paid a fixed or hourly fee to provide parking services, and we are responsible for certain operating expenses, as specified in the contract.

ESPC and Fixed-Price Repair and Refurbishment

We recognize revenue under these arrangements using the percentage-of-completion method of accounting, most often based on the cost-to-cost method. Under the percentage-of-completion method, revenues are recognized as the work progresses. The percentage of work completed is determined principally by comparing the actual costs incurred to date with the current estimate of total costs to complete. Estimated losses are recorded when identified.

Franchise

We franchise certain engineering services through individual and area franchises under the Linc Service and TEGG brands, which are part of ABM Technical Solutions.

Initial franchise fees are recognized when we have performed substantially all initial services required by the franchise agreement.

Royalties are recognized in income as underlying franchisee sales occur.

Other franchise fees charged to franchisees on a flat rate are recognized as earned.

Sales Allowance

In connection with our service contracts, we periodically issue credit memos to our clients that are recorded as a reduction in revenues and an increase to the allowance for billing adjustments. These credits can result from client vacancy discounts, job cancellations, property damage, and other items. We estimate our potential future losses on these client receivables based on an analysis of the historical rate of sales adjustments (credit memos, net of re-bills) and known or expected trends.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
Income Taxes	<p>Significant judgment is required in evaluating our tax positions and determining our provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rates could be adversely affected by earnings being lower than anticipated in jurisdictions where we have lower statutory rates and higher than anticipated in jurisdictions where we have higher statutory rates, by changes in the valuation of our deferred tax assets and liabilities, or by changes in the relevant tax, accounting, and other laws, regulations, principles, and interpretations.</p> <p>Unrecognized tax benefits require significant management judgment regarding applicable statutes and their related interpretation as they apply to our particular facts and circumstances.</p>	<p>Although we believe that our income tax related judgments and estimates are reasonable, it is possible that our actual results could be different than what we expected, and we may be exposed to a material change in our total income tax expense, tax-related balances, or valuation allowances.</p> <p>Upon income tax audit, any unfavorable tax settlement may require use of our cash and result in an increase in our effective tax rate in the period of settlement. A favorable tax settlement could be recognized as a reduction in our effective tax rate in the period of settlement.</p>
Contingencies and Litigation	<p>Litigation outcomes are difficult to predict and are often resolved over long periods of time.</p> <p>Estimating probable and reasonably possible losses requires the analysis of multiple possible outcomes that often depend on judgments about potential actions by third parties, such as future changes in facts and circumstances, differing interpretations of the law, assessments of the amount of damages, and other factors beyond our control. There is the potential for a material adverse effect on our financial statements if one or more matters are resolved in a particular period in an amount materially in excess of what we anticipated.</p> <p>In addition, in some cases, although a loss is probable or reasonably possible, we cannot reasonably estimate the maximum potential losses for probable matters or the range of losses for reasonably possible matters. Therefore, our accrual for probable losses and our estimated range of loss for reasonably possible losses do not represent our maximum possible exposure.</p>	<p>We have not made any changes in the accounting methodology used to establish our loss contingencies during the past three years.</p> <p>Our management currently estimates the range of loss for all reasonably possible losses for which a reasonable estimate of the loss can be made is between zero and \$3 million. Factors underlying this estimated range of loss may change from time to time, and actual results may vary significantly from this estimate.</p>

Recent Accounting Pronouncements

Accounting Standard	Description	Effective Date/Method of Adoption	Effect on the Financial Statements
In August 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-12, <i>Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities</i> .	This ASU better aligns accounting rules with a company's risk management activities; better reflects economic results of hedging in financial statements; and simplifies hedge accounting treatment.	November 1, 2019	We are currently evaluating the impact of this ASU on our consolidated financial statements.
In May 2017, the FASB issued ASU 2017-10, <i>Service Concession Arrangements (Topic 853): Determining the Customer of the Operation Services</i> .	This ASU provides clarity on determining the customer in a service concession arrangement.	November 1, 2018 We will adopt this standard in conjunction with ASU 2014-09, as described below.	We are currently evaluating the impact of this ASU on our consolidated financial statements and will continue to evaluate it together with the implementation of ASU 2014-09.
In May 2017, the FASB issued ASU 2017-09, <i>Compensation— Stock Compensation (Topic 718): Scope of Modification Accounting</i> .	This ASU clarifies which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting.	November 1, 2018 Adoption of this standard will be applied prospectively to awards modified on or after the adoption date.	The impact of this new standard will depend on the extent and nature of future changes to the terms of our share-based payment awards. Historically, we have not had significant changes to our share-based payment awards and therefore do not expect adoption of this guidance to have a material impact on our consolidated financial statements.
In March 2017, the FASB issued ASU 2017-07, <i>Compensation— Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost</i> .	To align with the presentation of compensation costs arising from services rendered by employees, this ASU requires classification of the service cost component of pension expense as an operating expense. The other components of pension expense, such as interest cost, amortization of prior service cost, and gains or losses, are required to be presented outside of operating expenses. This ASU also allows the service cost component to be eligible for capitalization, when applicable.	November 1, 2018 Adoption of this standard will be applied retrospectively for the classification requirements and prospectively for the capitalization of the service cost component requirement.	As ABM's defined benefit and postretirement benefit plans were previously amended to preclude new participants, the adoption of this guidance will not have a material impact on our consolidated financial statements.
In February 2016, the FASB issued ASU 2016-02, <i>Leases (Topic 842)</i> .	This ASU improves transparency and comparability among organizations by requiring lessees to recognize lease assets and lease liabilities on the balance sheet and to disclose key information about leasing arrangements.	November 1, 2019 When transitioning to the new standard, we are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach.	We are currently evaluating the impact of implementing this guidance on our consolidated financial statements.
In May 2014, the FASB issued ASU 2014-09, <i>Revenue from Contracts with Customers (Topic 606)</i> .	This ASU introduces a new principles-based framework for revenue recognition and disclosure. The core principle of the standard is when an entity transfers goods or services to customers it will recognize revenue in an amount that reflects the consideration the entity expects to be entitled to for those goods or services.	November 1, 2018 This standard will be applied as a full retrospective adoption to all periods presented or a modified retrospective adoption approach with a cumulative-effect adjustment to retained earnings as of the beginning of the year of adoption.	We have begun our process for implementing this guidance, including a preliminary review of all revenue streams to identify changes from our current method of revenue recognition. We are continuing to evaluate the impact of this ASU on our consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We have market risk exposure related to interest rates and foreign currency exchange rates. Market risk is measured as the potential negative impact on earnings, cash flows, or fair values resulting from a hypothetical change in interest rates or foreign currency exchange rates.

Interest Rate Risk

We are primarily exposed to interest rate risk through our variable rate borrowings under our Credit Facility. At October 31, 2017, we had total outstanding borrowings of \$1.2 billion. To limit exposure to upward movements in interest rates, we entered into interest rate swap agreements to fix the interest rates on a substantial portion of our outstanding borrowings. At October 31, 2017, we had interest rate swaps with an underlying notional amount of \$105.0 million and a fixed interest rate of 1.05%. In connection with our new Credit Facility, we entered into three additional forward-starting interest rate swap agreements that became effective in November 2017 with an underlying aggregate notional amount of \$500.0 million and fixed interest rates of 1.65% and 1.69%.

Based on our average borrowings, interest rates, and interest rate swaps in effect at October 31, 2017, as well as the new swaps effective in November 2017, a 100 basis point increase in LIBOR would decrease our future earnings and cash flows by \$6.5 million. For 2016, our market risk exposure related to interest rate fluctuations was \$1.3 million. As actual interest rate movements over time are uncertain, our swaps pose potential interest rate risks if interest rates decrease. As of October 31, 2017, the fair value of our interest rate swap agreements was an asset of \$2.9 million.

Foreign Currency Exchange Rate Risk

We are primarily exposed to the impact of foreign exchange rate risk through our U.K. operations where the functional currency is the GBP. As we intend to remain permanently invested in these foreign operations, we do not utilize hedging instruments to mitigate foreign currency exchange risks. If we change our intent with respect to such international investment, we would expect to implement strategies designed to manage those risks in an effort to mitigate the effect of foreign currency fluctuations on our earnings and cash flows.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

ABM Industries Incorporated:

We have audited the accompanying consolidated balance sheets of ABM Industries Incorporated and subsidiaries ("the Company") as of October 31, 2017 and 2016, and the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended October 31, 2017. In connection with our audits of the consolidated financial statements, we also have audited the related financial statement Schedule II. We also have audited the Company's internal control over financial reporting as of October 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements and financial statement schedule, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements, and financial statement schedule and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ABM Industries Incorporated and subsidiaries as of October 31, 2017 and 2016, and the results of their operations and their cash flows for each of the years in the three-year period ended October 31, 2017, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement Schedule II, when considered in relation to the consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. Also in our opinion, ABM Industries Incorporated and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of October 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company acquired Mechanical Solutions, Inc. ("MSI") on December 1, 2016, OFJ Connections Ltd ("OFJ") on December 1, 2016, and GCA Holding Corp., the indirect parent company of GCA Services Group ("GCA") on September 1, 2017. Management excluded these three businesses from its assessment of the effectiveness of the Company's internal control over financial reporting as of October 31, 2017. MSI, OFJ, and GCA represented approximately 5% of the Company's total consolidated assets (excluding goodwill and intangibles which are included within the scope of the assessment) and 4% of total consolidated revenues, as of and for the year ended October 31, 2017. Our audit of internal control over financial reporting of ABM Industries Incorporated and subsidiaries also excluded an evaluation of the internal control over financial reporting of MSI, OFJ, and GCA.

/s/ KPMG LLP

New York, New York
December 22, 2017

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	October 31,	
	2017	2016
<i>(in millions, except share and per share amounts)</i>		
ASSETS		
Current assets		
Cash and cash equivalents	\$ 62.8	\$ 53.5
Trade accounts receivable, net of allowances of \$25.5 and \$15.9 at October 31, 2017 and 2016, respectively	1,038.1	803.7
Prepaid expenses	101.8	68.0
Other current assets	32.8	30.0
Assets held for sale	—	36.1
Total current assets	1,235.5	991.3
Other investments	17.6	17.4
Property, plant and equipment, net of accumulated depreciation of \$136.4 and \$163.4 at October 31, 2017 and 2016, respectively	143.1	81.8
Other intangible assets, net of accumulated amortization of \$189.1 and \$157.0 at October 31, 2017 and 2016, respectively	430.1	103.8
Goodwill	1,864.2	912.8
Deferred income taxes, net	—	37.4
Other noncurrent assets	122.1	134.3
Total assets	\$ 3,812.6	\$ 2,278.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt, net	\$ 16.9	\$ —
Trade accounts payable	230.8	174.3
Accrued compensation	159.9	130.7
Accrued taxes—other than income	52.5	40.6
Insurance claims	112.5	92.2
Income taxes payable	13.4	6.3
Other accrued liabilities	171.8	135.9
Liabilities held for sale	—	16.8
Total current liabilities	757.8	596.8
Long-term debt, net	1,161.3	268.3
Deferred income tax liability, net	57.3	3.5
Noncurrent insurance claims	382.9	331.6
Other noncurrent liabilities	61.3	71.2
Noncurrent income taxes payable	16.3	33.4
Total liabilities	2,436.9	1,304.8
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$0.01 par value; 500,000 shares authorized; none issued	—	—
Common stock, \$0.01 par value; 100,000,000 shares authorized; 65,502,568 and 55,599,322 shares issued and outstanding at October 31, 2017 and 2016, respectively	0.7	0.6
Additional paid-in capital	675.2	248.6
Accumulated other comprehensive loss, net of taxes	(20.3)	(31.6)
Retained earnings	720.1	756.4
Total stockholders' equity	1,375.7	974.0
Total liabilities and stockholders' equity	\$ 3,812.6	\$ 2,278.8

See accompanying notes to consolidated financial statements.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended October 31,		
	2017	2016	2015
<i>(in millions, except per share amounts)</i>			
Revenues	\$ 5,453.6	\$ 5,144.7	\$ 4,897.8
Operating expenses	4,881.2	4,603.4	4,392.3
Selling, general and administrative expenses	436.6	410.1	395.0
Restructuring and related expenses	20.9	29.0	12.7
Amortization of intangible assets	31.6	25.0	24.2
Impairment (recovery) loss	(18.5)	22.5	—
Operating profit	101.9	54.7	73.6
Income from unconsolidated affiliates, net	4.2	7.6	9.0
Interest expense	(19.2)	(10.4)	(10.2)
Income from continuing operations before income taxes	86.9	51.9	72.4
Income tax (provision) benefit	(8.8)	10.4	(18.3)
Income from continuing operations	78.1	62.3	54.1
(Loss) income from discontinued operations, net of taxes	(74.3)	(5.1)	22.2
Net income	3.8	57.2	76.3
Other comprehensive income (loss)			
Foreign currency translation	9.7	(26.3)	(2.2)
Other, net of taxes	1.6	(0.2)	(0.1)
Comprehensive income	\$ 15.2	\$ 30.7	\$ 74.0
Net income per common share — Basic			
Income from continuing operations	\$ 1.35	\$ 1.11	\$ 0.95
(Loss) income from discontinued operations	(1.29)	(0.09)	0.40
Net income	\$ 0.07	\$ 1.02	\$ 1.35
Net income per common share — Diluted			
Income from continuing operations	\$ 1.34	\$ 1.09	\$ 0.94
(Loss) income from discontinued operations	(1.27)	(0.09)	0.39
Net income	\$ 0.07	\$ 1.01	\$ 1.33
Weighted-average common and common equivalent shares outstanding			
Basic	57.7	56.3	56.7
Diluted	58.3	56.9	57.4
Dividends declared per common share	\$ 0.680	\$ 0.660	\$ 0.640

See accompanying notes to consolidated financial statements.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<i>(in millions)</i>	Years Ended October 31,					
	2017		2016		2015	
	Shares	Amount	Shares	Amount	Shares	Amount
Common Stock						
Balance, beginning of year	55.6	\$ 0.6	56.1	\$ 0.6	55.7	\$ 0.6
Stock issued in GCA Services acquisition, net of shares withheld for taxes	9.4	0.1	—	—	—	—
Stock issued under employee stock purchase and share-based compensation plans	0.7	—	0.9	—	1.4	—
Repurchase of common stock	(0.2)	—	(1.4)	—	(1.0)	—
Balance, end of year	65.5	0.7	55.6	0.6	56.1	0.6
Additional Paid-in Capital						
Balance, beginning of year		248.6		275.5		274.1
Stock issued in GCA Services acquisition, net of shares withheld for taxes		421.2		—		—
(Taxes withheld) stock issued under employee stock purchase and share-based compensation plans (including incremental tax benefit for 2015), net		(0.1)		5.7		18.3
Share-based compensation expense		13.3		14.0		14.5
Repurchase of common stock		(7.9)		(46.6)		(31.4)
Balance, end of year		675.2		248.6		275.5
Accumulated Other Comprehensive Loss, Net of Taxes						
Balance, beginning of year		(31.6)		(5.1)		(2.8)
Other comprehensive income (loss)		11.3		(26.5)		(2.3)
Balance, end of year		(20.3)		(31.6)		(5.1)
Retained Earnings						
Balance, beginning of year		756.4		736.5		696.9
Net income		3.8		57.2		76.3
Dividends						
Common stock		(39.5)		(36.9)		(36.0)
Stock issued under share-based compensation plans		(0.6)		(0.4)		(0.7)
Balance, end of year		720.1		756.4		736.5
Total Stockholders' Equity		\$ 1,375.7		\$ 974.0		\$ 1,007.5

See accompanying notes to consolidated financial statements.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
Cash flows from operating activities			
Net income	\$ 3.8	\$ 57.2	\$ 76.3
Loss (income) from discontinued operations, net of taxes	74.3	5.1	(22.2)
Income from continuing operations	78.1	62.3	54.1
Adjustments to reconcile income from continuing operations to net cash provided by operating activities of continuing operations			
Depreciation and amortization	70.1	57.5	57.0
Impairment (recovery) loss	(18.5)	22.5	—
Deferred income taxes	(6.1)	(3.7)	8.1
Share-based compensation expense	13.3	14.0	14.2
Provision for bad debt	4.1	12.9	2.7
Discount accretion on insurance claims	0.2	0.3	0.3
Gain on sale of assets	(2.7)	(0.2)	(0.1)
Income from unconsolidated affiliates, net	(4.2)	(7.6)	(9.0)
Distributions from unconsolidated affiliates	5.7	8.2	6.5
Changes in operating assets and liabilities, net of effects of acquisitions:			
Trade accounts receivable	(115.7)	(80.9)	(55.9)
Prepaid expenses and other current assets	(6.4)	—	(1.4)
Other noncurrent assets	(7.6)	(29.5)	1.7
Trade accounts payable and other accrued liabilities	74.4	15.4	44.3
Insurance claims	33.5	33.6	37.4
Income taxes payable	(22.5)	0.5	(14.2)
Other noncurrent liabilities	6.0	5.2	(0.2)
Total adjustments	23.6	48.2	91.4
Net cash provided by operating activities of continuing operations	101.7	110.5	145.5
Net cash (used in) provided by operating activities of discontinued operations	(96.1)	(27.0)	0.9
Net cash provided by operating activities	5.6	83.5	146.4
Cash flows from investing activities			
Additions to property, plant and equipment	(57.2)	(44.0)	(26.5)
Proceeds from sale of assets	4.0	3.3	5.3
Purchase of businesses, net of cash acquired	(853.6)	(96.0)	(19.2)
Proceeds from sale of business	35.5	—	—
Proceeds from redemption of auction rate security	—	5.0	—
Investments in unconsolidated affiliates	(0.4)	—	(0.1)
Net cash used in investing activities of continuing operations	(871.8)	(131.7)	(40.5)
Net cash (used in) provided by investing activities of discontinued operations	—	(3.1)	130.9
Net cash (used in) provided by investing activities	(871.8)	(134.8)	90.4
Cash flows from financing activities			
(Taxes withheld) and proceeds from issuance of share-based compensation awards, net	(0.7)	5.3	15.4
Incremental tax benefit from share-based compensation awards	—	—	2.3
Repurchases of common stock	(7.9)	(46.6)	(31.4)
Dividends paid	(39.5)	(36.9)	(36.0)
Deferred financing costs paid	(18.7)	(0.1)	(0.9)
Borrowings from credit facility	1,880.1	1,052.3	958.3
Repayment of borrowings from credit facility	(957.2)	(942.0)	(1,120.1)
Changes in book cash overdrafts	15.8	0.7	(7.3)
Financing of energy savings performance contracts	6.8	22.6	5.2
Repayment of capital lease obligations	(0.9)	(1.2)	(2.4)
Payment of contingent consideration	(3.8)	(1.5)	—
Net cash provided by (used in) financing activities	874.0	52.6	(216.9)
Effect of exchange rate changes on cash and cash equivalents	1.5	(3.3)	(1.1)
Net increase (decrease) in cash and cash equivalents	9.3	(2.0)	18.8
Cash and cash equivalents at beginning of year	53.5	55.5	36.7
Cash and cash equivalents at end of year	\$ 62.8	\$ 53.5	\$ 55.5

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(continued)

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
Supplemental cash flow information			
Cash paid for income taxes, net of refunds received	\$ 11.8	\$ 12.6	\$ 23.7
Interest paid on credit facility	8.1	4.4	6.0
Non-cash investing and financing activities			
Stock issued in GCA Services acquisition, net of shares withheld for taxes	\$ 421.3	—	—

See accompanying notes to consolidated financial statements.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. THE COMPANY AND NATURE OF OPERATIONS

ABM Industries Incorporated, which operates through its subsidiaries (collectively referred to as “ABM,” “we,” “us,” “our,” or the “Company”), is a leading provider of integrated facility solutions with a mission to **make a difference, every person, every day**. We are organized into five industry groups and one Technical Solutions segment:



Aviation



Business &
Industry



Education



Healthcare



High Tech



Technical
Solutions

Through these groups, we offer janitorial, facilities engineering, parking, and specialized mechanical and electrical technical solutions, on a standalone basis or in combination.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The consolidated financial statements and accompanying notes (the “Financial Statements”) have been prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”) and with the rules and regulations of the Securities and Exchange Commission (“SEC”), specifically Regulation S-X and the instructions to Form 10-K. Unless otherwise indicated, all references to years are to our fiscal year, which ends on October 31.

The Financial Statements include the accounts of ABM and all of our consolidated subsidiaries. We account for ABM’s investments in unconsolidated affiliates under the equity method of accounting. We include the results of acquired businesses in the consolidated statements of comprehensive income from their respective acquisition dates. All intercompany accounts and transactions have been eliminated in consolidation.

The preparation of consolidated financial statements in accordance with U.S. GAAP requires our management to make certain estimates that affect the reported amounts. We base our estimates on historical experience, known or expected trends, independent valuations, and various other assumptions that we believe to be reasonable under the circumstances. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates.

We round amounts in the Financial Statements to millions and calculate all percentages and per-share data from the underlying whole-dollar amounts. Thus, certain amounts may not foot, crossfoot, or recalculate based on reported numbers due to rounding.

Government Services

At October 31, 2016, the assets and liabilities of the Government Services business were classified as held-for-sale. As described in Note 7, “Fair Value of Financial Instruments,” we measured the held-for-sale assets at fair value until sold. On May 31, 2017, we completed the sale of this business for \$35.5 million and recorded a pre-tax gain of \$1.2 million. The gain on sale is reflected in impairment (recovery) loss in the accompanying consolidated statements of comprehensive income. The reported results for this business are through the date of sale. Future results could include run-off costs associated with this former business.

Prior Year Reclassifications

Effective November 1, 2016, we reorganized our reportable segments to reflect how we now manage our business by industry group. We have revised our prior period segment information to reflect this reorganization and a related reclassification of certain Corporate expenses. See Note 18, “Segment and Geographic Information,” for further details. Concurrent with the reorganization, we recategorized certain expenses that were historically included in operating expenses to selling, general and administrative expenses. To conform to the new categorization, we reclassified operating expenses of \$20.0 million and \$17.7 million for 2016 and 2015, respectively, to selling, general and administrative expenses. In addition, based on the terms of the agreement to sell the Government Services

business, we reclassified certain of the prior year amounts in the accompanying consolidated balance sheets and statements of cash flows from held-for-sale to held-and-used.

Cash and Cash Equivalents

We consider all highly liquid securities with an original maturity of three months or less to be cash and cash equivalents. As part of our cash management system, we use “zero balance” accounts to fund our disbursements. Under this system, at the end of each day the bank balance is zero, while the book balance is usually a negative amount due to reconciling items, such as outstanding checks. We report the changes in these book cash overdrafts as cash flows from financing activities.

Trade Accounts Receivable

Trade accounts receivable arise from services provided to our clients and are usually due and payable on varying terms from receipt of the invoice to net ninety days, with the exception of certain Technical Solutions project receivables that may have longer collection periods. These receivables are recorded at the invoiced amount and normally do not bear interest. In addition, our trade accounts receivable include unbilled receivables that can include costs and estimated earnings in excess of billings on uncompleted contracts, as well as invoices for services that have been provided but are not yet billed.

Allowance for Doubtful Accounts

We determine the allowance for doubtful accounts based on historical write-offs, known or expected trends, and the identification of specific balances deemed uncollectible. For the specifically identified balances, we establish the reserve upon the earlier of a client's inability to meet its financial obligations or after a period of twelve months, unless our management believes such amounts will ultimately be collectible.

Sales Allowance

In connection with our service contracts, we periodically issue credit memos to our clients that are recorded as a reduction in revenues and an increase to the allowance for billing adjustments. These credits can result from client vacancy discounts, job cancellations, property damage, and other items. We estimate our potential future losses on these client receivables based on an analysis of the historical rate of sales adjustments (credit memos, net of re-bills) and known or expected trends.

Other Current Assets

At October 31, 2017 and 2016, other current assets primarily consisted of other receivables and short-term insurance recoverables.

Other Investments

At October 31, 2017 and 2016, other investments primarily consisted of investments in unconsolidated affiliates and investments in auction rate securities.

Investments in Unconsolidated Affiliates

We own non-controlling interests (generally 20% to 50%) in certain affiliated entities that predominantly provide facility solutions to governmental and commercial clients, primarily in the United States and the Middle East. We account for such investments under the equity method of accounting. We evaluate our equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. An impairment loss is recognized to the extent that the estimated fair value of the investment is less than its carrying amount and we determine that the impairment is other-than-temporary. At October 31, 2017 and 2016, our investments in unconsolidated affiliates were \$9.3 million and \$17.1 million, respectively. At October 31, 2016, a portion of these investments were classified as held for sale, as they related to our Government Services business. In connection with the held-for-sale classification, we recognized an impairment charge of \$5.0 million to write down these investments to their estimated fair value in 2016, which we subsequently recovered in 2017. We did not recognize any impairment charges on these investments in 2017 or 2015.

Investments in Auction Rate Securities

Our investments in auction rate securities are classified as available-for-sale. Accordingly, auction rate securities are presented at fair value with unrealized gains and losses recorded in accumulated other comprehensive

loss ("AOCL"). On a quarterly basis, we analyze all auction rate securities that have unrealized losses for impairment consideration and assess the intent to sell such securities. If such intent exists, impaired securities are considered other-than-temporarily impaired and we recognize the entire difference between the auction rate security's amortized cost and its fair value in earnings. We also consider if we may be required to sell the securities prior to the recovery of amortized cost, which may trigger an impairment charge. If these securities are considered impaired, we assess whether the amortized costs of the securities can be recovered by reviewing several factors, including credit risks associated with the issuer. If we do not expect to recover the entire amortized cost of the security, we consider the security to be other-than-temporarily impaired, and record the difference between the security's amortized costs and its recoverable amount in earnings and the difference between the security's amortized cost and fair value in AOCL.

Property, Plant and Equipment

We record property, plant and equipment at cost. Repairs and maintenance expenditures are expensed as incurred. In contrast, we capitalize major renewals or replacements that substantially extend the useful life of an asset. We determine depreciation for financial reporting purposes using the straight-line method over the following estimated useful lives:

<u>Category</u>	<u>Years</u>
Computer equipment and software	3–5
Machinery and other equipment	3–5
Transportation equipment	1.5–10
Buildings	10–40
Furniture and fixtures	5

In addition, we depreciate assets under capital leases and leasehold improvements over the shorter of their estimated useful lives or the remaining lease term. Upon retirement or sale of an asset, we remove the cost and accumulated depreciation from our consolidated balance sheets. When applicable, we record corresponding gains or losses within the accompanying consolidated statements of comprehensive income.

Leases

We enter into various noncancelable lease agreements for premises and equipment used in the normal course of business. We evaluate the lease agreement at the inception of the lease to determine whether the lease is an operating or capital lease.

We account for rent expense under noncancelable operating leases with escalation clauses on a straight-line basis over the initial lease term. A deferred liability is recorded for the amount of the excess of straight-line rent expense over scheduled payments. We do not assume renewals in our determination of the lease term unless the renewals are deemed to be reasonably assured at lease inception. We may also be required to make additional payments to reimburse the lessors for operating expenses such as real estate taxes, maintenance, utilities, and insurance, which are expensed as incurred. We enter into leases of parking lots and garages that contain contingent payment provisions. Under these provisions, we pay contingent amounts in addition to base rent, primarily based on percentages of the gross receipts or other financial parameters attributable to the related facilities. We record contingent rent as it becomes probable that specified targets will be met.

We record each capital lease as an asset and an obligation at an amount that is equal to the present value of the minimum lease payments over the lease term.

Other Intangible Assets

Other intangible assets primarily consist of acquired customer contracts and relationships that are amortized using the sum-of-the-years-digits method over their useful lives, consistent with the estimated useful life considerations used in the determination of their fair values. This accelerated method of amortization reflects the pattern in which the economic benefits from the intangible assets of customer contracts and relationships are expected to be realized. We amortize other non-customer acquired intangibles using a straight-line method of amortization.

Impairment of Long-Lived Assets

We evaluate our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. When this occurs, a recoverability test is performed that compares the projected undiscounted cash flows from the use and eventual disposition of an asset or asset group to its carrying amount. If the projected undiscounted cash flows are less than the carrying amount, we calculate an impairment loss. The impairment loss calculation compares the fair value, which is based on projected discounted cash flows, to the carrying value. We record an impairment loss if the carrying value exceeds the fair value. In 2016, we classified the long-lived assets of our Government Services business as held for sale. See Note 7, "Fair Value of Financial Instruments," regarding the valuation of the held-for-sale long-lived assets of the former Government Services business in 2016 and 2017.

Goodwill

Goodwill represents the excess purchase price of acquired businesses over the fair values of the assets acquired and liabilities assumed. We have elected to make the first day of our fourth quarter, August 1st, the annual impairment assessment date for goodwill. However, we could be required to evaluate the recoverability of goodwill more often if impairment indicators exist.

We test the carrying value of goodwill for impairment at a "reporting unit" level. In 2017, we adopted Accounting Standards Update 2017-04, which allows us to test goodwill for impairment by comparing the fair value of a reporting unit to its carrying amount. If the fair value of a reporting unit is less than its carrying value, an impairment charge will be recorded for the difference between the fair value and carrying value, but it is limited to the carrying value of the reporting unit's goodwill.

In 2016, in connection with the held-for-sale classification of the former Government Services business, we recognized a goodwill impairment charge of \$6.0 million. In accordance with the held for sale accounting guidance, we subsequently recovered this amount when we received an offer from a strategic buyer in 2017. We did not recognize any goodwill impairment charges in 2017 or 2015.

Other Noncurrent Assets

At October 31, 2017 and 2016, other noncurrent assets primarily consisted of long-term insurance recoverables, insurance and other long-term deposits, deferred charges, prepayments to carriers for future insurance claims, and federal energy savings performance contract receivables.

Federal Energy Savings Performance Contract Receivables

As part of our Technical Solutions business, we enter into Energy Savings Performance Contracts ("ESPCs") with the federal government pursuant to which we agree to develop, design, engineer, and construct a project and guarantee that the project will satisfy agreed-upon performance standards. ESPC receivables represent the amount to be paid by various federal government agencies for work we have satisfactorily performed under specific ESPCs. We assign certain of our rights to receive those payments to unaffiliated third parties that provide construction financing, which we record as a liability, for such contracts. This construction financing is recorded as cash flows from financing activities, while the use of the cash received under these arrangements to pay project costs is classified as operating cash flows. The ESPC receivable is recognized as revenue as each project is constructed. Upon completion and acceptance of the project by the government and upon satisfaction of true sale criteria, the assigned ESPC receivable from the government and corresponding ESPC liability are eliminated from our consolidated financial statements.

Fair Value of Financial Instruments

Fair value is the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

Level 1 – Quoted prices for identical instruments in active markets;

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable; and

Level 3 – Significant inputs to the valuation model are unobservable.

We evaluate assets and liabilities subject to fair value measurements on a recurring and non-recurring basis to determine the appropriate level at which to classify them for each reporting period. Some non-financial assets are measured at fair value on a non-recurring basis only in certain circumstances, including the event of impairment. See Note 7, "Fair Value of Financial Instruments," for the fair value hierarchy table and for details on how we measure fair value for our assets and liabilities.

Acquisitions

We expense acquisition-related costs as incurred. On the date of the acquisition, we allocate the purchase price to the assets acquired and liabilities assumed at their estimated fair values. Goodwill on the acquisition date is measured as the excess of the purchase price over the fair values of assets acquired and liabilities assumed. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with corresponding adjustments to goodwill. We recognize subsequent changes in the estimate of the amount to be paid under contingent consideration arrangements in the accompanying consolidated statements of comprehensive income.

Discontinued Operations

In order to be reported within discontinued operations, our disposal of a component or a group of components must represent a strategic shift that will have a major effect on our operations and financial results. We aggregate the results of operations for discontinued operations within a single line item on the income statement. General corporate overhead is not allocated to discontinued operations. We disclose any gain or loss that is recognized upon the disposition of a discontinued operation. Prior to disposition, we aggregate the assets and liabilities of discontinued operations and report the amounts on separate line items within the balance sheet.

Assets and Liabilities Held for Sale

Upon a business being classified as held for sale, we cease all depreciation and amortization related to the assets and record them at the lower of their carrying amount or fair value less estimated costs to sell. The assets and related liabilities of the business are separately presented on the consolidated balance sheets. We review all assets held for sale each reporting period to determine whether the existing carrying amounts are fully recoverable in comparison to estimated fair values.

Insurance Reserves

We use a combination of insured and self-insurance programs to cover workers' compensation, general liability, automobile liability, property damage, and other insurable risks. Insurance claim liabilities represent our estimate of retained risks without regard to insurance coverage. We retain a substantial portion of the risk related to certain workers' compensation and medical claims. Liabilities associated with these losses include estimates of both claims filed and claims incurred but not reported ("IBNR Claims").

With the assistance of third-party actuaries, we periodically review our estimate of ultimate losses for IBNR Claims and adjust our required self-insurance reserves as appropriate. As part of this evaluation, we review the status of existing and new claim reserves as established by third-party claims administrators. The third-party claims administrators establish the case reserves based upon known factors related to the type and severity of the claims, demographic factors, legislative matters, and case law, as appropriate. We compare actual trends to expected trends and monitor claims developments. The specific case reserves estimated by the third-party administrators are provided to an actuary who assists us in projecting an actuarial estimate of the overall ultimate losses for our self-insured or

high deductible programs, which includes the case reserves plus an actuarial estimate of reserves required for additional developments, such as IBNR Claims. We utilize the results of actuarial studies to estimate our insurance rates and insurance reserves for future periods and to adjust reserves, if appropriate, for prior years.

In general, our insurance reserves are recorded on an undiscounted basis. We allocate current-year insurance expense to our operating segments based upon their underlying exposures, while actuarial adjustments related to prior year claims are recorded within Corporate expenses. We classify claims as current or long-term based on the expected settlement date. Estimated insurance recoveries related to recorded liabilities are reflected as assets in our consolidated balance sheets when we believe that the receipt of such amounts is probable.

Other Accrued Liabilities

At October 31, 2017 and 2016, other accrued liabilities primarily consisted of employee benefits, deferred revenue, legal fees and settlements, progress billings in excess of costs, dividends payable, interest, rent payable, severance, insurance claims, current capital leases, and other accrued expenses.

Other Noncurrent Liabilities

At October 31, 2017 and 2016, other noncurrent liabilities primarily consisted of deferred rent, retirement plan liabilities, deferred compensation, long-term capital leases, and ESPC liabilities.

Revenue Recognition

We earn revenue under various types of service contracts. In all forms of service we provide, revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is fixed or determinable, and collectability is reasonably assured. The various types of service contracts are described below.

Contract Type	Description
Monthly Fixed-Price	These arrangements are contracts in which the client agrees to pay a fixed fee every month over a specified contract term. A variation of a fixed-price arrangement is a square-foot arrangement, under which monthly billings are based on the actual square footage serviced.
Cost-Plus	These arrangements are contracts in which the clients reimburse us for the agreed-upon amount of wages and benefits, payroll taxes, insurance charges, and other expenses associated with the contracted work, plus a profit margin.
Tag Services	Tag work generally consists of supplemental services requested by clients outside of the standard service specification and includes cleanup after tenant moves, construction cleanup, flood cleanup, and snow removal.
Transaction-Price	These are agreements in which the clients are billed for each transaction performed on a monthly basis (e.g., wheelchair passengers served or aircrafts cleaned).
Hourly	These arrangements are contracts in which the client is billed a set hourly rate for each labor hour provided.
Management Reimbursement	Under these parking arrangements, we manage a parking facility for a management fee and pass through the revenue and expenses associated with the facility to the owner. These revenues and expenses are reported in equal amounts as costs reimbursed from our managed locations.
Leased Location	Under these parking arrangements, we generally pay to the property owner a fixed amount of rent, plus a percentage of revenues derived from monthly and transient parkers. We retain all revenues and we are responsible for most operating expenses incurred.
Allowance	Under these parking arrangements, we are paid a fixed or hourly fee to provide parking services, and we are responsible for certain operating expenses, as specified in the contract.
Energy Savings Contracts and Fixed-Price Repair and Refurbishment	Under these arrangements, we agree to develop, design, engineer, and construct a project and guarantee that the project will satisfy agreed-upon performance standards. We recognize revenue under certain of these contracts using the percentage-of-completion method of accounting, most often based on the cost-to-cost method, under which revenues are recognized as the work progresses.
Franchise	We franchise certain engineering services through individual and area franchises under the Linc Service and TEGG brands, which are part of ABM Technical Solutions.

Management Reimbursement Revenue by Segment

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
Business & Industry	\$ 234.2	\$ 227.8	\$ 216.6
Aviation	80.4	78.2	71.7
Emerging Industries Group	18.5	17.5	17.7
Total	<u>\$ 333.2</u>	<u>\$ 323.4</u>	<u>\$ 305.9</u>

Restructuring and Related Expenses

Restructuring and related expenses include employee severance, lease exit costs, external support fees, and other costs. Our methodology to record these costs is described below:

Severance

As we do not have a past history of consistently providing severance benefits, we recognize severance costs for employees who do not have formal employment agreements when management has committed to a restructuring plan and communicated those actions to impacted employees, such that the employee is able to determine the type and amount of benefits that they will receive upon termination. In addition, if the employees are required to render service beyond the minimum retention period until they are terminated in order to receive the benefits, a liability is recognized ratably over the future service period. For employees with employment agreements, we accrue for these separation liabilities when it is probable that the impacted executives will be entitled to the benefits and the amount can be reasonably estimated.

Noncancelable Leases and Contractual Obligations

We record liabilities when we terminate a contract in accordance with the contract terms or when we exit the leased space. The expense for noncancelable leases is determined based on the fair value of remaining lease payments reduced by the fair value of estimated sublease income that could reasonably be obtained for the property, estimated using a present value technique.

Other

For other costs associated with exit and disposal activities, we recognize an expense at fair value in the period in which the liability is incurred.

Advertising

Advertising costs are expensed as incurred. During 2017, 2016, and 2015, advertising expense was \$2.2 million, \$2.1 million, and \$2.8 million, respectively.

Share-Based Compensation

Our current share-based awards principally consist of restricted stock units ("RSUs") and various performance share awards. We recognize compensation costs associated with these awards in selling, general and administrative expenses. For RSUs and certain performance share awards, the amount of compensation cost is measured based on the grant-date fair value of the equity instruments issued. Since our total shareholder return ("TSR") performance share awards are performance awards with a market condition, the compensation costs associated with these awards are determined using a Monte Carlo simulation valuation model. For RSUs and TSR awards, compensation cost is recognized over the period that an employee provides service in exchange for the award. We recognize compensation cost associated with other performance share awards over the requisite service period based on the probability of achievement of performance criteria.

Taxes Collected from Clients and Remitted to Governmental Agencies

We record taxes on client transactions due to governmental agencies as receivables and liabilities on the consolidated balance sheets.

Net Income Per Common Share

Basic net income per common share is net income divided by the weighted-average number of common shares outstanding during the period. Diluted net income per common share is based on the weighted-average number of common shares outstanding during the period, adjusted to include the potential dilution from the conversion of RSUs, vesting of performance shares, and exercise of stock options.

Contingencies and Litigation

We are a party to a number of lawsuits, claims, and proceedings incident to the operation of our business, including those pertaining to labor and employment, contracts, personal injury, and other matters, some of which allege substantial monetary damages. Some of these actions may be brought as class actions on behalf of a class or purported class of employees. We accrue for loss contingencies when losses become probable and are reasonably estimable.

If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. We recognize legal costs as an expense in the period incurred.

Income Taxes

We account for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. We measure deferred tax assets and liabilities using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered. Deferred tax assets are reviewed for recoverability on a quarterly basis. A valuation allowance is recorded to reduce the carrying amount of a deferred tax asset to its realizable value unless it is more likely than not that such asset will be realized. We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense in our consolidated statements of comprehensive income.

3. RESTRUCTURING AND RELATED COSTS

During the fourth quarter of 2015, our Board of Directors approved a comprehensive strategy intended to have a positive transformative effect on ABM (the “2020 Vision”). As part of the 2020 Vision, we identified key priorities to differentiate ABM in the marketplace, accelerate revenue growth for certain industry groups, and improve our margin profile. We do not expect to incur significant 2020 Vision restructuring and related expenses in the future. As described in Note 18, “Segment and Geographic Information,” we include restructuring and related costs within corporate expenses.

Rollforward of Restructuring and Related Liabilities

<i>(in millions)</i>	External Support Fees	Employee Severance	Other Project Fees	Lease Exit	Asset Impairment	Total
Balance, October 31, 2014	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Costs recognized	4.6	4.7	0.8	—	2.6	12.7
Payments	(2.5)	(0.4)	(0.4)	—	—	(3.3)
Non-cash items	—	—	(0.2)	—	(2.6)	(2.8)
Balance, October 31, 2015	<u>\$ 2.1</u>	<u>\$ 4.3</u>	<u>\$ 0.2</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6.6</u>
Costs recognized	11.3	8.6	3.9	3.2	2.1	29.0
Payments	(12.2)	(9.1)	(3.6)	(0.3)	—	(25.2)
Non-cash items	—	—	—	(0.4)	(2.1)	(2.5)
Balance, October 31, 2016	<u>\$ 1.2</u>	<u>\$ 3.8</u>	<u>\$ 0.5</u>	<u>\$ 2.5</u>	<u>\$ —</u>	<u>\$ 8.0</u>
Costs recognized	12.1	0.5	5.7	2.6	—	20.9
Payments	(10.8)	(3.3)	(5.8)	(3.1)	—	(23.0)
Non-cash items	—	—	—	0.9	—	0.9
Balance, October 31, 2017	<u>\$ 2.5</u>	<u>\$ 1.0</u>	<u>\$ 0.4</u>	<u>\$ 2.8</u>	<u>\$ —</u>	<u>\$ 6.7</u>

We have incurred cumulative 2020 Vision restructuring and related charges of \$62.5 million, including external support fees of \$28.0 million, employee severance costs of \$13.8 million, other project fees of \$10.4 million, lease exit costs of \$5.7 million, and asset impairment costs of \$4.7 million.

4. ACQUISITIONS

Acquisition of GCA Services Group during 2017

On September 1, 2017, we acquired all of the outstanding stock of GCA Holding Corp., the indirect parent company of GCA Services Group ("GCA"), a provider of integrated facility services to educational institutions and commercial facilities, for a purchase price of approximately \$1.3 billion. As a result of the acquisition, we are now a leading facility solutions provider in the Education market. As of September 1, 2017, the operations of GCA are included in our GCA Services segment.

Consideration Transferred

(in millions, except per share data)

Shares of ABM common stock, net of shares withheld for taxes ⁽¹⁾		9.4
ABM common stock closing market price at acquisition date	\$	44.63
Fair value of ABM common stock at closing		421.3
Cash consideration		839.9
Total consideration transferred	\$	1,261.3

⁽¹⁾Certain of these shares are subject to registration rights.

Preliminary Purchase Price Allocation

Our preliminary purchase price allocation is based on information that is currently available, and we are continuing to evaluate the underlying inputs and assumptions used in our valuations. Accordingly, consideration and purchase price allocations are subject to, among other items: working capital adjustments; further analysis of tax accounts, including deferred tax liabilities; and final valuation of identifiable intangible assets.

(in millions)

Cash and cash equivalents	\$	2.5
Trade accounts receivable ⁽¹⁾		118.1
Prepaid expenses and other current assets		10.3
Property, plant and equipment		41.4
Customer relationships ⁽²⁾		340.0
Trade name ⁽²⁾		9.0
Goodwill ⁽³⁾		933.9
Other assets		4.2
Trade accounts payable		(9.1)
Insurance reserves		(35.5)
Income taxes payable		(16.5)
Accrued liabilities		(36.5)
Deferred income tax liability, net		(92.6)
Other liabilities		(8.1)
Net assets acquired	\$	1,261.3

⁽¹⁾ The gross amount of trade accounts receivable was \$122.0 million, of which \$3.9 million is expected to be uncollectible.

⁽²⁾ The amortization periods for the acquired intangible assets are 15 years for customer contracts and 2 years for trade names.

⁽³⁾ Goodwill is largely attributable to value we expect to obtain from long-term business growth, the established workforce, and buyer-specific synergies. This goodwill is not deductible for income tax purposes.

Pro Forma Financial Information

The following table presents our unaudited pro forma results for 2017 and 2016 as though the GCA acquisition occurred on November 1, 2015. The pro forma results include adjustments for the estimated amortization of intangible assets, interest expense, and the income tax impact of the pro forma adjustments at the statutory rate of 41%. These unaudited pro forma results do not reflect the cost of integration activities or benefits from expected revenue enhancements and synergies. Accordingly, the unaudited pro forma information is not necessarily indicative of the results that would have been achieved if the acquisition had been effective on November 1, 2015.

<i>(in millions)</i>	Years Ended October 31,	
	2017	2016
Revenue	\$ 6,293.0	\$ 6,153.6
Net income (loss) from continuing operations	90.4	(0.6)

These unaudited pro forma results were adjusted to exclude \$24.2 million of acquisition-related costs incurred during 2017, which are included in selling, general and administrative expenses in the accompanying consolidated statements of comprehensive income.

Other 2017 Acquisitions

Effective December 1, 2016, we acquired all of the outstanding stock of Mechanical Solutions, Inc. ("MSI"), a provider of specialized HVAC, chiller, and plumbing services, for a purchase price of \$12.6 million. The purchase price includes up to \$1.0 million of undiscounted contingent consideration that is based on the expected achievement of certain pre-established revenue goals. See Note 7, "Fair Value of Financial Instruments," regarding our valuation of contingent consideration liabilities. As of December 1, 2016, the operations of MSI are included in our Technical Solutions segment.

Effective December 1, 2016, we also acquired all of the outstanding stock of OFJ Connections Ltd ("OFJ"), a provider of airport transportation services in the United Kingdom, for a purchase price of \$6.3 million. As of December 1, 2016, the operations of OFJ are included in our Aviation segment.

2016 Acquisitions

Effective September 30, 2016, we acquired all of the outstanding stock of BRBIBR Limited, a company which held all of the outstanding shares of 8 Solutions Ltd. ("8 Solutions"), a provider of technical cleaning services to data centers in the United Kingdom and certain other locations, for a purchase price of \$16.1 million. As of September 30, 2016, the operations of 8 Solutions are included in our Business & Industry segment, and 8 Solutions has been renamed "ABM Critical Solutions Limited."

Effective December 1, 2015, we acquired all of the outstanding stock of Westway Services Holdings (2014) Ltd. ("Westway"), a provider of technical services to clients in the United Kingdom, for a purchase price of \$81.0 million. This acquisition expanded the geographical reach of our technical solutions business to the United Kingdom, resulting in the allocation of a significant portion of the purchase price to goodwill. As such, we recorded goodwill and intangible assets of \$53.8 million and \$22.5 million, respectively. The goodwill associated with this acquisition is not deductible for tax purposes. As of December 1, 2015, the operations of Westway are included in our Technical Solutions segment.

2015 Acquisition

Effective May 1, 2015, we acquired certain assets and assumed certain liabilities of CTS Services/Facility Support Services ("CTS"), a provider of HVAC services and energy solutions in government, commercial, and industrial buildings, for a purchase price of \$18.8 million. The purchase price included contingent consideration of \$3.8 million that was based on the expected achievement of certain pre-established revenue goals. During 2017 the revenue-related target was achieved, resulting in payment to the seller. As of May 1, 2015, the operations of CTS are included in our Technical Solutions segment.

Pro Forma and Other Financial Information

Except for GCA, we do not present pro forma and other financial information for our other acquisitions, as they are not considered material business combinations individually or on a combined basis.

5. DISCONTINUED OPERATIONS

On October 26, 2015, in connection with our **2020 Vision**, we sold substantially all of the assets of our Security business to Universal Protection Service, L.P. for cash proceeds of \$131.0 million, subject to a working capital adjustment. In connection with the sale, we recorded a \$23.6 million gain, which was subsequently reduced by a \$3.1 million working capital adjustment in 2016. Following the sale, we record all costs associated with this former business in discontinued operations. Such costs generally relate to litigation we retained and insurance reserves. In 2017, we incurred a net loss from discontinued operations of \$74.3 million (a pretax loss of \$123.7 million). As described in Note 14, "Commitments and Contingencies," this loss primarily relates to the settlements of the Augustus and Karapetyan cases.

6. NET INCOME PER COMMON SHARE

Basic and Diluted Net Income Per Common Share Calculations

	Years Ended October 31,		
	2017	2016	2015
<i>(in millions, except per share amounts)</i>			
Income from continuing operations	\$ 78.1	\$ 62.3	\$ 54.1
(Loss) income from discontinued operations, net of taxes	(74.3)	(5.1)	22.2
Net income	\$ 3.8	\$ 57.2	\$ 76.3
Weighted-average common and common equivalent shares outstanding — Basic	57.7	56.3	56.7
Effect of dilutive securities			
RSUs	0.3	0.3	0.3
Stock options	0.2	0.2	0.3
Performance shares	0.1	0.1	0.1
Weighted-average common and common equivalent shares outstanding — Diluted	58.3	56.9	57.4
Net income per common share — Basic			
Income from continuing operations	\$ 1.35	\$ 1.11	\$ 0.95
(Loss) income from discontinued operations	(1.29)	(0.09)	0.40
Net income	\$ 0.07	\$ 1.02	\$ 1.35
Net income per common share — Diluted			
Income from continuing operations	\$ 1.34	\$ 1.09	\$ 0.94
(Loss) income from discontinued operations	(1.27)	(0.09)	0.39
Net income	\$ 0.07	\$ 1.01	\$ 1.33

Anti-Dilutive Outstanding Stock Awards Issued Under Share-Based Compensation Plans

	Years Ended October 31,		
	2017	2016	2015
<i>(in millions)</i>			
Anti-dilutive	—	0.1	0.2

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy of Our Financial Instruments

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

<i>(in millions)</i>	Fair Value Hierarchy	As of October 31,	
		2017	2016
Cash and cash equivalents ⁽¹⁾	1	\$ 62.8	\$ 53.5
Insurance deposits ⁽²⁾	1	11.2	11.2
Assets held in funded deferred compensation plan ⁽³⁾	1	4.6	4.9
Credit facility ⁽⁴⁾	2	1,191.2	268.3
Interest rate swaps ⁽⁵⁾	2	2.9	0.2
Investments in auction rate securities ⁽⁶⁾	3	8.0	8.0
Contingent consideration liability ⁽⁷⁾	3	0.9	3.8

⁽¹⁾ Cash and cash equivalents are stated at nominal value, which equals fair value.

⁽²⁾ Represents restricted deposits that are used to collateralize our insurance obligations and are stated at nominal value, which equals fair value. These insurance deposits are included in "Other noncurrent assets" on the accompanying consolidated balance sheets. See Note 11, "Insurance," for further information.

⁽³⁾ Represents investments held in a Rabbi trust associated with one of our deferred compensation plans, which we include in "Other noncurrent assets" on the accompanying consolidated balance sheets. The fair value of the assets held in the funded deferred compensation plan is based on quoted market prices. See Note 13, "Employee Benefit Plans," for further information.

⁽⁴⁾ Represents gross outstanding borrowings under our syndicated line of credit and term loan. Due to variable interest rates, the carrying value of outstanding borrowings under our line of credit and term loan approximates the fair value. See Note 12, "Credit Facility," for further information.

⁽⁵⁾ Represents interest rate swap derivatives designated as cash flow hedges. The fair values of the interest rate swaps are estimated based on the present value of the difference between expected cash flows calculated at the contracted interest rates and the expected cash flows at current market interest rates using observable benchmarks for LIBOR forward rates at the end of the period. These interest rate swaps are included in "Other noncurrent assets" on the accompanying consolidated balance sheets. See Note 12, "Credit Facility," for further information.

⁽⁶⁾ The fair value of investments in auction rate securities is based on discounted cash flow valuation models, primarily utilizing unobservable inputs, including assumptions about the underlying collateral, credit risks associated with the issuer, credit enhancements associated with financial insurance guarantees, and the possibility of the security being re-financed by the issuer or having a successful auction. These amounts are included in "Other investments" on the accompanying consolidated balance sheets. See Note 8, "Auction Rate Securities," for further information.

⁽⁷⁾ Certain of our acquisitions involve the payment of contingent consideration. The fair value of these liabilities is based on the expected achievement of certain pre-established revenue goals. At October 31, 2016, we had one contingent consideration liability included in "Other accrued liabilities" on the accompanying consolidated balance sheets. During 2017 the revenue-related target for that acquisition was achieved, resulting in the payment of \$3.8 million to the seller. In connection with the MSI acquisition, we recorded one new contingent consideration liability during 2017, which is included in "Other noncurrent liabilities" on the accompanying consolidated balance sheets.

During 2017 and 2016, we had no transfers of assets or liabilities between any of the above hierarchy levels.

Non-Financial Assets Measured at Fair Value on a Non-Recurring Basis

During 2016, we recorded impairment charges of \$22.5 million, including both long-lived asset and goodwill impairment charges associated with the classification of the former Government Services business as held for sale. During the second quarter of 2017, we received an offer from a strategic buyer to purchase the Government Services business for approximately \$35.0 million, which was higher than our previous estimate of fair value less costs to sell. As a result, we recorded a \$17.4 million impairment recovery to adjust the fair value of certain previously impaired assets to the valuation of the assets as implied by the agreed-upon sales price, less estimated costs to sell. The initial measurement of the impairment and subsequent recovery represented Level 3 inputs under the fair value hierarchy.

In addition, on November 1, 2016, we reorganized our reportable segments and goodwill reporting units. In connection with this reorganization, we performed a goodwill impairment test immediately before and after the segment realignment. We estimated the fair value of goodwill using the income and market approaches, which utilize expected cash flows using Level 3 inputs. This analysis required the exercise of significant judgments, including the identification of reporting units as well as the evaluation of recent indicators of market activity, estimated future cash flows, discount rates, and other factors. As a result of this analysis, we concluded that the estimated fair value of each reporting unit substantially exceeded its carrying value and that no further evaluation of impairment was necessary.

8. AUCTION RATE SECURITIES

At October 31, 2017 and 2016, we held investments in auction rate securities from two different issuers that had an aggregate original principal amount of \$10.0 million and an amortized cost and fair value of \$8.0 million. These two auction rate securities are debt instruments with stated maturities in 2036 and 2050. The interest rates for these securities are designed to be reset through Dutch auctions approximately every thirty days, but auctions for these securities have not occurred since August 2007.

At October 31, 2017 and 2016, there were no unrealized gains or losses on our auction rate securities included in AOCL and the total amount of other-than-temporary impairment credit loss on our auction rate security investments included in our retained earnings was \$2.0 million.

Significant Assumptions Used to Determine the Fair Values of Our Auction Rate Securities

Assumption	October 31, 2017	October 31, 2016
Discount rates	L + 0.42% and L + 0.79%	L + 0.46% and L + 1.30%
Yields	2.15%, L + 2.00%	2.15%, L + 2.00%
Average expected lives	4 – 10 years	4 – 10 years

L – One Month LIBOR

9. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment

<i>(in millions)</i>	As of October 31,	
	2017	2016
Machinery and other equipment	\$ 89.5	\$ 74.5
Computer equipment and software	70.2	92.5
Transportation equipment	48.0	23.5
Leasehold improvements	47.1	33.2
Furniture and fixtures	13.6	11.3
Buildings	10.0	9.3
Land	1.2	0.9
	279.5	245.2
Less: Accumulated depreciation ⁽¹⁾	136.4	163.4
Total	\$ 143.1	\$ 81.8

⁽¹⁾For 2017, 2016, and 2015, depreciation expense was \$38.5 million, \$32.6 million, and \$32.8 million, respectively.

Capital Leases Included in Property, Plant and Equipment

	As of October 31,	
	2017	2016
<i>(in millions)</i>		
Transportation equipment	\$ 19.4	\$ 6.6
Machinery and other equipment	0.3	1.0
Furniture and fixtures	0.2	0.5
Computer equipment and software	0.1	0.2
	20.0	8.2
Less: Accumulated depreciation	7.6	6.9
Total	\$ 12.4	\$ 1.3

10. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

<i>(in millions)</i>	Business & Industry	Aviation	Emerging Industries Group	Technical Solutions	GCA Services	Government Services	Total
Balance at October 31, 2015	\$ 463.0	\$ 119.5	\$ 152.8	\$ 126.1	\$ —	\$ 6.0	\$ 867.5
Acquisitions ⁽¹⁾	10.1	1.0	—	53.7	—	—	64.8
Foreign currency translation	(2.9)	(0.6)	—	(10.1)	—	—	(13.6)
Impairment loss	—	—	—	—	—	(6.0)	(6.0)
Balance at October 31, 2016	\$ 470.2	\$ 120.0	\$ 152.8	\$ 169.8	\$ —	\$ —	\$ 912.8
Acquisitions ⁽²⁾	0.9	3.8	—	6.4	933.9	—	945.0
Foreign currency translation	2.2	0.4	—	3.8	—	—	6.4
Balance at October 31, 2017	\$ 473.3	\$ 124.2	\$ 152.8	\$ 180.0	\$ 933.9	\$ —	\$ 1,864.2

⁽¹⁾ During 2016, goodwill primarily increased as a result of the acquisitions of Westway and 8 Solutions. See Note 4, "Acquisitions," for additional information.

⁽²⁾ During 2017, goodwill primarily increased as a result of the GCA acquisition. See Note 4, "Acquisitions," for additional information.

Other Intangible Assets

<i>(in millions)</i>	October 31, 2017			October 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Total	Gross Carrying Amount	Accumulated Amortization	Total
Customer contracts and relationships	\$ 607.9	\$ (186.3)	\$ 421.6	\$ 258.6	\$ (155.1)	\$ 103.5
Trademarks and trade names	10.8	(2.4)	8.4	1.8	(1.5)	0.2
Contract rights and other	0.5	(0.4)	0.1	0.5	(0.4)	0.1
Total⁽¹⁾	\$ 619.2	\$ (189.1)	\$ 430.1	\$ 260.9	\$ (157.0)	\$ 103.8

⁽¹⁾ These intangible assets are being amortized over the expected period of benefit, with a weighted average life of approximately 13 years.

Estimated Annual Amortization Expense For Each of the Next Five Years

<i>(in millions)</i>	2018	2019	2020	2021	2022
Estimated amortization expense ⁽¹⁾	\$ 68.2	\$ 61.3	\$ 51.4	\$ 45.2	\$ 39.3

⁽¹⁾ These amounts could vary as acquisitions of additional intangible assets occur in the future and as purchase price allocations are finalized for existing acquisitions.

11. INSURANCE

We use a combination of insured and self-insurance programs to cover workers' compensation, general liability, automobile liability, property damage, and other insurable risks. For the majority of these insurance programs, we retain the initial \$1.0 million of exposure on a per-occurrence basis, either through deductibles or self-insured retentions. Beyond the retained exposures, we have varying primary policy limits ranging between \$1.0 million and \$5.0 million per occurrence. To cover general liability and automobile liability losses above these primary limits, we maintain commercial umbrella insurance policies that provide aggregate limits of \$200.0 million. Our insurance policies generally cover workers' compensation losses to the full extent of statutory requirements. Additionally, to cover property damage risks above our retained limits, we maintain policies that provide per occurrence limits of \$75.0 million. We are also self-insured for certain employee medical and dental plans. We maintain stop-loss insurance for our self-insured medical plan under which we retain up to \$0.4 million of exposure on a per-participant, per-year basis with respect to claims. As of September 1, 2017, GCA's workers' compensation, general liability, automobile liability, and other insurable risks are covered under the ABM insurance policies.

The adequacy of our reserves for workers' compensation, general liability, automobile liability, and property damage insurance claims is based upon known trends and events and the actuarial estimates of required reserves considering the most recently completed actuarial reports. We use all available information to develop our best estimate of insurance claims reserves as information is obtained. The results of actuarial studies are used to estimate our insurance rates and insurance reserves for future periods and to adjust reserves, if appropriate, for prior years. During each of 2017 and 2016, we performed both an annual actuarial evaluation and an actuarial review. As a result of these studies, we increased our reserves for claims related to prior periods by \$22.0 million and \$32.9 million during 2017 and 2016, respectively.

Insurance Reserve Adjustments

Actuarial Studies Performed During 2017

During 2017, we performed actuarial studies of our casualty insurance programs that considered changes in claim developments and claim payment activity for the period commencing May 1, 2016 and ending April 30, 2017 for all policy years in which open claims existed.

The actuarial studies indicated safety initiatives we have implemented have had a modest impact on our claim costs in the most recent years. However, there have been unfavorable developments in ultimate losses beyond our estimates for general liability and workers' compensation claims related to prior years, as described below.

The actuarial studies indicated a decrease over the most recent years in the total number of reported claims related to our general liability program, particularly with respect to bodily injury claims, in addition to property damage claims. However, in prior year claims we experienced adverse developments that are largely attributable to adjustments related to certain bodily injury claims and to losses for property damage.

We are experiencing a reduced frequency of claims in our workers' compensation program. However, due to increases in projected costs and severity of claims for a number of prior year claims in California and New York, we increased our estimate of ultimate losses for workers' compensation. Statutory, regulatory, and legal developments have contributed to the increase in our estimated losses.

Based on the results of the actuarial studies performed during 2017, which included analyzing recent loss development patterns, comparing the loss development patterns against benchmarks, and applying actuarial projection methods to estimate the ultimate losses, we increased our total reserves for known claims as well as our estimate of the loss amounts associated with IBNR Claims for years prior to 2017 by \$22.0 million during 2017. This adjustment was \$10.9 million lower than the total adjustment related to prior year claims of \$32.9 million in 2016.

Actuarial Studies Performed During 2016

During 2016, our actuarial studies showed unfavorable developments in ultimate losses that we estimated for general liability, workers' compensation, and automobile liability claims. These studies indicated our risk management programs were yielding improvements, however these improvements had a modest impact on prior years and the impact was not occurring at the pace originally forecasted by the actuaries. The average claim cost was also unfavorably impacted by increases in legal fees, medical costs, and other claim management expenses necessary to adjudicate the claims with dates of loss prior to 2016. As a result, we increased our reserves for known claims as well as our estimate of the loss amounts associated with IBNR Claims for years prior to 2016 by \$32.9 million during 2016.

Insurance Related Balances and Activity

<i>(in millions)</i>	October 31, 2017	October 31, 2016
Insurance claim reserves excluding medical and dental	\$ 485.6	\$ 417.9
Medical and dental claim reserves	9.8	5.9
Insurance recoverables	73.1	69.7

At October 31, 2017 and 2016, insurance recoverables are included in both "Other current assets" and "Other noncurrent assets" on the accompanying consolidated balance sheets.

Casualty Program Insurance Reserves Rollforward

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
Net balance at beginning of year	\$ 348.2	\$ 312.7	\$ 277.8
Change in case reserves plus IBNR Claims — current year	112.2	104.5	88.7
Change in case reserves plus IBNR Claims — prior years	23.1	35.8	40.1
Claims paid	(105.2)	(104.8)	(93.9)
GCA Services acquisition	34.1	—	—
Net balance, October 31⁽¹⁾	412.5	348.2	312.7
Recoverables	73.1	69.7	65.9
Gross balance, October 31	\$ 485.6	\$ 417.9	\$ 378.6

⁽¹⁾ Includes reserves related to discontinued operations of approximately \$10 million for 2017 and \$12 million for both 2016 and 2015.

Instruments Used to Collateralize Our Insurance Obligations

<i>(in millions)</i>	As of October 31,	
	2017	2016
Standby letters of credit	\$ 137.6	\$ 118.3
Surety bonds	77.5	57.2
Restricted insurance deposits	11.2	11.2
Total	\$ 226.3	\$ 186.7

12. CREDIT FACILITY

New Credit Facility

On September 1, 2017, we refinanced and replaced our existing \$800.0 million credit facility with a new senior, secured five-year syndicated credit facility (the "Credit Facility"), consisting of a \$900.0 million revolving line of credit and an \$800.0 million amortizing term loan, scheduled to mature on September 1, 2022. The line of credit reduces to \$800.0 million after one year. The Credit Facility also provides for the issuance of up to \$300.0 million for standby letters of credit and the issuance of up to \$75.0 million in swingline advances. The obligations under the Credit Facility are secured on a first-priority basis by a lien on substantially all of our assets and properties, subject to certain exceptions.

Borrowings under the Credit Facility bear interest at a rate equal to 1-month LIBOR plus a spread that is based upon our leverage ratio. The spread ranges from 1.00% to 2.25% for Eurocurrency loans and 0.00% to 1.25% for base rate loans. At October 31, 2017, the weighted average interest rate on our outstanding borrowings was 3.49%. We also pay a commitment fee, based on our leverage ratio and payable quarterly in arrears, ranging from 0.200% to 0.350% on the average daily unused portion of the line of credit. For purposes of this calculation, irrevocable standby letters of credit, which are issued primarily in conjunction with our insurance programs, and cash borrowings are included as outstanding under the line of credit.

The Credit Facility contains certain covenants, including a maximum leverage ratio of 4.75 to 1.0, which steps down to 3.50 to 1.0 by July 2020, and a minimum fixed charge coverage ratio of 1.50 to 1.0, as well as other financial and non-financial covenants. In the event of a material acquisition, as defined in the Credit Facility, we may elect to increase the leverage ratio to 3.75 to 1.0 for a total of four fiscal quarters, provided the leverage ratio had already been reduced to 3.50 to 1.0. The availability of our borrowing capacity is subject to, and limited by, compliance with the covenants described above. At October 31, 2017, we were in compliance with these covenants.

The Credit Facility also includes customary events of default, including failure to pay principal, interest, or fees when due, failure to comply with covenants, the occurrence of certain material judgments, or a change in control of the Company. If an event of default occurs, including certain cross-defaults, insolvency, change in control, or violation of specific covenants, the lenders can terminate or suspend our access to the Credit Facility and declare all amounts outstanding (including all accrued interest and unpaid fees) to be immediately due and payable, and require that we cash collateralize the outstanding standby letters of credit.

Total deferred financing costs related to the Credit Facility were \$18.7 million, consisting of \$13.4 million related to the term loan and \$5.2 million related to the line of credit, which are being amortized to interest expense over the term of the Credit Facility.

Credit Facility Information

<i>(in millions)</i>	October 31, 2017	
Current portion of long-term debt		
Gross term loan	\$	20.0
Less: unamortized deferred financing costs		(3.1)
Current portion of term loan	\$	16.9
Long-term debt		
Gross term loan	\$	780.0
Less: unamortized deferred financing costs		(9.9)
Total noncurrent portion of term loan		770.1
Line of credit ⁽¹⁾⁽²⁾		391.2
Long-term debt	\$	1,161.3

⁽¹⁾Standby letters of credit amounted to \$146.4 million at October 31, 2017.

⁽²⁾At October 31, 2017, we had borrowing capacity of \$350.8 million, however covenant restrictions limited our borrowing capacity to \$282.0 million.

Term Loan Maturities

<i>(\$ in millions)</i>	2018		2019		2020		2021		2022		Total
Debt maturities	\$	20.0	\$	40.0	\$	60.0	\$	120.0	\$	560.0	\$ 800.0
Principal repayment		2.5%		5.0%		7.5%		15.0%		70.0%	

Interest Rate Swaps

We enter into interest rate swaps to manage the interest rate risk associated with our floating-rate, LIBOR-based borrowings under our Credit Facility. Under these arrangements, we typically pay a fixed interest rate in exchange for LIBOR-based variable interest throughout the life of the agreement.

During 2016, we entered into three interest rate swap agreements with effective dates of April 7, 2016 and May 11, 2016, an underlying aggregate notional amount of \$105.0 million, and a fixed interest rate of 1.05%. These swaps were designated and accounted for as cash flow hedges from inception and mature on April 7, 2021 and May 11, 2021. These interest rate swap agreements remain in effect with our new Credit Facility. See Note 7, "Fair Value of Financial Instruments," regarding the valuation of our interest rate swaps.

In connection with our Credit Facility, in September 2017 we entered into three additional forward-starting interest rate swap agreements that became effective in November 2017. These swaps have an underlying aggregate notional amount of \$500.0 million, fixed interest rates of 1.65% and 1.69%, mature on September 1, 2022, and were designated and accounted for as cash flow hedges from inception.

We initially report the effective portion of a derivative's mark-to-market gain or loss as a component of AOCL and subsequently reclassify the gain or loss into earnings when the hedged transactions occur and affect earnings. The ineffective portion of the gain or loss is reported in earnings immediately. Interest payables and receivables under the swap agreements are accrued and recorded as adjustments to interest expense.

At October 31, 2017 and 2016, the amounts recorded in AOCL were \$1.7 million and \$0.2 million, respectively, related to the interest rate swap agreements in effect on those dates. Additionally, at October 31, 2017, the amount expected to be reclassified from AOCL to earnings for those interest rate swap agreements during the next twelve months was insignificant.

13. EMPLOYEE BENEFIT PLANS

Defined Benefit Plans

We provide benefits to certain employees under various defined benefit and postretirement benefit plans (collectively, the "Plans"). The Plans were previously amended to preclude new participants. All but one of the Plans are unfunded.

Information for the Plans

<i>(in millions)</i>	As of October 31,			
	2017		2016	
Net obligations	\$	7.5	\$	7.8
Projected benefit obligations		15.7		15.7
Fair value of assets		8.2		7.9

At October 31, 2017, approximately 47% of the Plan assets were invested in equities, 43% in fixed income, and 10% in cash. The expected return on assets was \$0.4 million during 2017 and \$0.5 million for each of 2016 and 2015. The aggregate net periodic benefit cost for all Plans was \$0.2 million for each of 2017, 2016, and 2015. Future benefit payments in the aggregate are expected to be \$13.8 million.

Deferred Compensation Plans

We maintain deferred compensation plans that permit eligible employees and directors to defer a portion of their compensation. At October 31, 2017 and 2016, the total liability of all deferred compensation was \$17.6 million and \$19.1 million, respectively, and these amounts are included in "Other accrued liabilities" and "Other noncurrent liabilities" on the accompanying consolidated balance sheets. Under one of our deferred compensation plans, a Rabbi trust was created to fund the obligations, and we are required to contribute a portion of the deferred compensation contributions for eligible participants. The assets held in the Rabbi trust are not available for general corporate purposes. At October 31, 2017 and 2016, the fair value of these assets was \$4.6 million and \$4.9 million, respectively, and was included in "Other noncurrent assets" on the accompanying consolidated balance sheets. Aggregate expense recognized under these deferred compensation plans was \$0.4 million for each of 2017 and 2016 and \$0.5 million for 2015.

Defined Contribution Plans

We sponsor four defined contribution plans covering certain employees that are subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code ("IRC"). Certain plans permit a company match of a portion of the participant's contributions or a discretionary contribution after the participant has met the eligibility requirements set forth in the plan. During 2017, 2016, and 2015, we made matching contributions required by the plans of \$13.7 million, \$11.7 million, and \$12.1 million, respectively.

Multiemployer Pension and Postretirement Plans

We participate in various multiemployer pension plans under union and industry-wide agreements, which provide defined pension benefits to employees covered by collective bargaining agreements. Because of the nature of multiemployer plans, there are risks associated with participation in these plans that differ from single-employer plans. Assets contributed by an employer to a multiemployer plan are not segregated into a separate account and are not restricted to provide benefits only to employees of that contributing employer. In the event another participating employer in a multiemployer plan no longer contributes to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers, including us. In the event of the termination of a multiemployer pension plan or a withdrawal from a multiemployer pension plan, we could incur material liabilities under applicable law.

Key Information for Individually Significant Multiemployer Defined Benefit Pension Plans⁽¹⁾

(in millions)

Pension Fund	EIN/PN ⁽²⁾	Pension Protection Act Zone Status ⁽³⁾		FIP/RP Status ⁽⁴⁾	Contributions by ABM			Surcharge Imposed ⁽⁵⁾	Expiration Dates of Collective Bargaining Agreements
		2017	2016		2017	2016	2015		
Building Service 32BJ Pension Fund	13-1879376 / 001	Red 6/30/2017	Red 6/30/2016	Implemented	20.1	17.0	14.2	No	12/31/2019
Central Pension Fund of the IUOE & Participating Employers	36-6052390 / 001	Green 1/31/2017	Green 1/31/2016	N/A*	10.7	11.0	11.2	N/A*	12/31/2017- 12/31/2020
S.E.I.U. National Industry Pension Fund	52-6148540 / 001	Red 12/31/2016	Red 12/31/2015	Implemented	7.2	6.8	6.0	Yes	7/31/2020
Local 25 SEIU & Participating Employers Pension Trust	36-6486542/001	Green 9/30/2016	Green 9/30/2015	N/A*	6.0	6.2	6.0	N/A*	4/8/2018- 6/30/2018
IUOE Stationary Engineers Local 39 Pension Plan	94-6118939 / 001	Green 12/31/2016	Green 12/31/2015	N/A*	4.8	5.2	5.6	N/A*	2/28/2019- 7/31/2019
Western Conference of Teamsters Pension Plan	91-6145047 / 001	Green 12/31/2016	Green 12/31/2015	N/A*	3.5	0.9	1.0	N/A*	11/30/2018- 12/31/2021
Local 68 Engineers Union Pension Plan	51-0176618 / 001	Green 6/30/2016	Green 6/30/2015	N/A*	2.8	2.8	3.0	N/A*	2/28/2018- 8/31/2021
<i>All Other Plans:</i>					8.0	9.4	11.5		
Total Contributions					\$ 63.1	\$ 59.3	\$ 58.5		

* Not applicable

⁽¹⁾ To determine individually significant plans, we evaluated several factors, including our total contributions to the plan, our significance to the plan in terms of participating employees and contributions, and the funded status of the plan.

⁽²⁾ The "EIN/PN" column provides the Employer Identification Number and the three-digit plan number assigned to the plan by the Internal Revenue Service ("IRS").

⁽³⁾ The Pension Protection Act Zone Status columns provide the two most recent Pension Protection Act zone statuses available from each plan. The zone status is based on information provided to us and other participating employers and is certified by each plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.

⁽⁴⁾ Indicates whether a Financial Improvement Plan ("FIP") for yellow zone plans or a Rehabilitation Plan ("RP") for red zone plans is pending or implemented.

⁽⁵⁾ Indicates whether our contribution rate in 2017 included an amount in addition to the contribution rate specified in the applicable collective bargaining agreement as imposed by a plan in the red zone.

Multiemployer Pension Plans for which ABM is a Significant Contributor

Pension Fund	Contributions to the plan exceeded more than 5% of total contributions per most currently available Forms 5500 (as of the Plan's year end)
Arizona Sheet Metal Pension Trust Fund*	6/30/2016, 6/30/2015 and 6/30/2014
Building Service 32BJ Pension Fund	6/30/2016, 6/30/2015 and 6/30/2014
Building Service Pension Plan*	4/30/2016, 4/30/2015 and 4/30/2014
Contract Cleaners Service Employees' Pension Plan*	12/31/2016, 12/31/2015 and 12/31/2014
IUOE Stationary Engineers Local 39 Pension Plan	12/31/2016 and 12/31/2014
Local 210's Pension Plan*	12/31/2016, 12/31/2015 and 12/31/2014
Local 25 SEIU & Participating Employers Pension Trust	9/30/2016, 9/30/2015 and 9/30/2014
Massachusetts Service Employees Pension Plan*	12/31/2016, 12/31/2015 and 12/31/2014
S.E.I.U. National Industry Pension Fund	12/31/2016, 12/31/2015 and 12/31/2014
Service Employees International Union Local 1 Cleveland Pension Plan*	12/31/2016, 12/31/2015, and 12/31/2014
Service Employees International Union Local 32BJ, District 36 Building Operators Pension Trust Fund	12/31/2016, 12/31/2015 and 12/31/2014
Teamsters Local 617 Pension Fund*	2/28/2017, 2/29/2016 and 2/28/2015
Teamsters Local Union No. 727 Pension Plan*	2/28/2017 and 2/29/2016

* These plans are not separately listed in our multiemployer table as they represent an insignificant portion of our total multiemployer pension plan contributions.

There have been no significant changes that affect the comparability of total contributions for any of the periods presented.

Multiemployer Defined Contribution Plans

In addition to contributions noted above, we also make contributions to multiemployer defined contribution plans. During 2017, 2016, and 2015, our contributions to the defined contribution plans were \$5.4 million, \$6.6 million, and \$6.8 million, respectively.

Multiemployer Other Postretirement Benefit Plans

We also contribute to several multiemployer postretirement health and welfare plans based on obligations arising under collective bargaining agreements covering union-represented employees. These plans may provide medical, pharmacy, dental, vision, mental health, and other benefits to employees as determined by the trustees of each plan. The majority of our contributions benefit active employees and as such, may not constitute contributions to a postretirement benefit plan. However, since we are unable to separate contribution amounts to postretirement benefit plans from contribution amounts paid to benefit active employees, we categorize all such amounts as contributions to postretirement benefit plans. During 2017, 2016, and 2015, our contributions to such plans were \$247.9 million, \$224.5 million, and \$216.8 million, respectively. There have been no significant changes that affect the comparability of total contributions for any of the periods presented.

14. COMMITMENTS AND CONTINGENCIES

Lease and Other Similar Commitments

Future Minimum Payments

<i>(in millions)</i>	Capital	Operating and Other ⁽¹⁾
October 31, 2018	\$ 3.1	\$ 79.7
October 31, 2019	3.1	50.1
October 31, 2020	3.0	38.9
October 31, 2021	2.3	34.3
October 31, 2022	0.8	31.2
Thereafter	0.3	84.8
Total	<u>\$ 12.6</u>	<u>\$ 319.0</u>

⁽¹⁾ Includes total estimated sublease rental income of \$20.6 million.

Rental and Other Expense

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
Minimum rental and other	\$ 121.5	\$ 118.0	\$ 110.6
Contingent rental and other	34.3	31.3	28.0
Total	<u>\$ 155.8</u>	<u>\$ 149.3</u>	<u>\$ 138.6</u>

Letters of Credit and Surety Bonds

We use letters of credit and surety bonds to secure certain commitments related to insurance programs and for other purposes. As of October 31, 2017, these letters of credit and surety bonds totaled \$146.4 million and \$486.2 million, respectively. Included in the total amount of surety bonds is \$2.5 million of bonds with an effective date starting after October 31, 2017.

Guarantees

In some instances, we offer clients guaranteed energy savings under certain energy savings contracts. At October 31, 2017 and 2016, total guarantees were \$157.9 million and \$66.3 million, respectively, and these guarantees extend through 2038 and 2034, respectively. We accrue for the estimated cost of guarantees when it is probable that a liability has been incurred and the amount can be reasonably estimated. Historically, we have not incurred any material losses in connection with these guarantees.

In connection with an unconsolidated joint venture in which one of our subsidiaries has a 33% ownership interest, that subsidiary and the other joint venture partners have each jointly and severally guaranteed the obligations of the joint venture to perform under certain contracts extending through 2019. Annual revenues relating to the underlying contracts are approximately \$35 million. Should the joint venture be unable to perform under these contracts, the joint venture partners would be jointly and severally liable for any losses incurred by the client due to the failure to perform.

Indemnifications

We are party to a variety of agreements under which we may be obligated to indemnify the other party for certain matters. Primarily, these agreements are standard indemnification arrangements entered into in our ordinary course of business. Pursuant to these arrangements, we may agree to indemnify, hold harmless, and reimburse the indemnified parties for losses suffered or incurred by the indemnified party, generally our clients, in connection with any claims arising out of the services that we provide. We also incur costs to defend lawsuits or settle claims related to these indemnification arrangements, and in most cases these costs are paid from our insurance program. Although we attempt to place limits on such indemnification arrangements related to the size of the contract, the maximum obligation may not be explicitly stated and, as a result, the maximum potential amount of future payments we could be required to make under these arrangements is not determinable.

Our certificate of incorporation and bylaws may require us to indemnify our directors and officers for certain liabilities that were incurred as a result of their status or service to ABM as a director or officer. The amount of these obligations cannot be reasonably estimated.

Sales Tax Audits

We collect sales tax from clients and remit those collections to the applicable states. When clients fail to pay their invoices, including the amount of any sales tax that we paid on their behalf, in some cases we are entitled to seek a refund of that amount of sales tax from the applicable state. Sales tax laws and regulations enacted by the various states are subject to interpretation, and our compliance with such laws is routinely subject to audit and review by such states. Audit risk is concentrated in several states, and these states are conducting ongoing audits. The outcomes of ongoing and any future audits and changes in the states' interpretation of the sales tax laws and regulations could materially adversely impact our results of operations.

Legal Matters

We are a party to a number of lawsuits, claims, and proceedings incident to the operation of our business, including those pertaining to labor and employment, contracts, personal injury, and other matters, some of which allege substantial monetary damages. Some of these actions may be brought as class actions on behalf of a class or purported class of employees.

At October 31, 2017, the total amount accrued for all probable litigation losses where a reasonable estimate of the loss could be made was \$16.2 million. This \$16.2 million includes the accrual of \$8.3 million in connection with the Hussein and Isse cases, each discussed below.

Litigation outcomes are difficult to predict and the estimation of probable losses requires the analysis of multiple possible outcomes that often depend on judgments about potential actions by third parties. If one or more matters are resolved in a particular period in an amount in excess of, or in a manner different than, what we anticipated, this could have a material adverse effect on our financial position, results of operations, or cash flows.

We do not accrue for contingent losses that, in our judgment, are considered to be reasonably possible but not probable. The estimation of reasonably possible losses also requires the analysis of multiple possible outcomes that often depend on judgments about potential actions by third parties. Our management currently estimates the range of loss for all reasonably possible losses for which a reasonable estimate of the loss can be made is between zero and \$3 million. Factors underlying this estimated range of loss may change from time to time, and actual results may vary significantly from this estimate.

In some cases, although a loss is probable or reasonably possible, we cannot reasonably estimate the maximum potential losses for probable matters or the range of losses for reasonably possible matters. Therefore, our accrual for probable losses and our estimated range of loss for reasonably possible losses do not represent our maximum possible exposure.

While the results of these lawsuits, claims, and proceedings cannot be predicted with any certainty, our management believes that the final outcome of these matters will not have a material adverse effect on our financial position, results of operations, or cash flows.

Certain Legal Proceedings

Certain lawsuits to which we are a party are discussed below. In determining whether to include any particular lawsuit or other proceeding, we consider both quantitative and qualitative factors. These factors include, but are not limited to: the amount of damages and the nature of any other relief sought in the proceeding; if such damages and other relief are specified, our view of the merits of the claims; whether the action is or purports to be a class action, and our view of the likelihood that a class will be certified by the court; the jurisdiction in which the proceeding is pending; and the potential impact of the proceeding on our reputation.

The Consolidated Cases of Augustus, Hall, and Davis, et al. v. American Commercial Security Services, filed July 12, 2005, in the Superior Court of California, Los Angeles County (the "Augustus case")

The *Augustus* case was a certified class action involving violations of certain California state laws relating to rest breaks. The case centered on whether requiring security guards to remain on call during rest breaks violated Section 226.7 of the California Labor Code. On July 31, 2012, the Superior Court of California, Los Angeles County (the "Superior Court"), entered summary judgment in favor of plaintiffs in the amount of approximately \$89.7 million (the "common fund"). Subsequently, the Superior Court also awarded plaintiffs' attorneys' fees of approximately \$4.5 million in addition to approximately 30% of the common fund. Under California law, post-judgment interest on a judgment accrues at a rate of 10% simple interest per year from the date the judgment is entered until it is satisfied. We appealed the Superior Court's rulings to the Court of Appeals of the State of California, Second Appellate District (the "Appeals Court"). On December 31, 2014, the Appeals Court issued its opinion, reversing the judgment in favor of the plaintiffs and vacating the award of \$89.7 million in damages and the attorneys' fees award. The plaintiffs filed a petition for review with the California Supreme Court on March 4, 2015, and on April 29, 2015, the California Supreme Court granted the plaintiffs' petition. On December 22, 2016, the California Supreme Court rendered its decision, holding that on-call and on-duty rest breaks are prohibited by California law, and reversed the Appeals Court judgment on this issue. The amount of post-judgment interest as of December 22, 2016 was approximately \$41.2 million.

On February 6, 2017, ABM Security Services, Inc., a wholly-owned subsidiary of ABM Industries Incorporated, entered into a Class Action Settlement and Release with plaintiffs Jennifer Augustus, Delores Hall, Emanuel Davis, and Carlton Anthony Waite, on behalf of themselves and the settlement class members, to settle the *Augustus* case on a class-wide basis for \$110.0 million (the "Augustus Settlement Agreement"). On March 17, 2017, the Augustus Settlement Agreement was amended to address certain procedural matters, and it received final approval of the Superior Court on July 6, 2017. The Augustus Settlement Agreement called for two payments of \$55.0 million each. The first payment was made on July 19, 2017, and the second payment, plus an additional payment of \$4.8 million for payroll taxes, was made on August 29, 2017.

Karapetyan v. ABM Industries Incorporated and ABM Security Services, Inc., et al., filed on October 23, 2015, pending in the United States District Court for the Central District of California (the "Karapetyan case")

The *Karapetyan* case was a putative class action in which the plaintiff sought to represent a class of security guards who worked during time periods subsequent to the class period in the *Augustus* case. The plaintiff alleged that ABM violated certain California state laws relating to meal and rest breaks and other wage and hour claims. On April 17, 2017, ABM Industries Incorporated, ABM Security Services, Inc., ABM Onsite Services, Inc., and ABM Onsite Services – West, Inc. entered into a Class Action Settlement and Release with plaintiff Vardan Karapetyan, on behalf of himself and the settlement class members, to settle the *Karapetyan* case on a class-wide basis for \$5.0 million. The United States District Court for the Central District of California granted final approval of the settlement on September 7, 2017. The full settlement payment in the amount of \$5.0 million, plus an additional \$0.2 million in payroll taxes, was made on October 13, 2017.

The Consolidated Cases of Bucio and Martinez v. ABM Janitorial Services filed on April 7, 2006, in the Superior Court of California, County of San Francisco (the "Bucio case")

The *Bucio* case is a class action pending in San Francisco Superior Court that alleges we failed to provide legally required meal periods and make additional premium payments for such meal periods, pay split shift premiums when owed, and reimburse janitors for travel expenses. On April 19, 2011, the trial court held a hearing on plaintiffs' motion to certify the class. At the conclusion of that hearing, the trial court denied plaintiffs' motion to certify the class. On May 11, 2011, the plaintiffs filed a motion to reconsider, which was denied. The plaintiffs appealed the class certification issues. The trial court stayed the underlying lawsuit pending the decision in the appeal. The Court of Appeal of the State of California, First Appellate District (the "Court of Appeal"), heard oral arguments on November 7, 2017. On December 11, 2017, the Court of Appeal reversed the trial court's order denying class certification and remanded the matter for certification of a meal period, travel expense reimbursement, and split shift class.

Hussein and Hirsi v. Air Serv Corporation filed on January 20, 2016, pending in the United States District Court for the Western District of Washington at Seattle (the “Hussein case”) and

Isse et al. v. Air Serv Corporation filed on February 7, 2017, pending in the Superior Court of Washington for King County (the “Isse” case)

The *Hussein* case was a certified class action involving a class of certain hourly Air Serv employees at Seattle-Tacoma International Airport in SeaTac, Washington. The plaintiffs alleged that Air Serv violated a minimum wage requirement in an ordinance applicable to certain employers in the local city of SeaTac (the “Ordinance”). Plaintiffs sought retroactive wages, double damages, interest, and attorneys’ fees. This matter was removed to federal court. In a separate lawsuit brought by Filo Foods, LLC, Alaska Airlines, and several other employers at SeaTac airport, the King County Superior Court issued a decision that invalidated the Ordinance as it applied to workers at SeaTac airport. Subsequently, the Washington Supreme Court reversed the Superior Court’s decision. On February 7, 2017, the *Isse* case was filed against Air Serv on behalf of 60 individual plaintiffs (who would otherwise be members of the *Hussein* class), who alleged failure to comply with both the minimum wage provision and the sick and safe time provision of the Ordinance. The *Isse* plaintiffs sought retroactive wages and sick benefits, double damages for wages and sick benefits, interest, and attorneys’ fees. The *Isse* case later expanded to approximately 220 individual plaintiffs.

In mediations on November 2 and 3, 2017, and without admitting liability in either matter, we agreed to settle the *Hussein* and *Isse* lawsuits for a combined total of \$8.3 million, inclusive of damages, interest, attorneys’ fees, and employer payroll taxes. Eligible employees will be able to participate in either the *Hussein* or *Isse* settlements, but cannot recover in both settlements. The settlements in both cases will require court approval because of the nature of the claims being released. We are working with our clients to obtain partial or full reimbursement for the settlements.

15. PREFERRED AND COMMON STOCK

Preferred Stock

We are authorized to issue 500,000 shares of preferred stock. None of these preferred shares are issued.

Common Stock

On September 2, 2015, our Board of Directors authorized a program to repurchase up to \$200.0 million shares of our common stock. Purchases may take place on the open market or otherwise, and all or part of the repurchases may be made pursuant to Rule 10b5-1 plans or in privately negotiated transactions. The timing of repurchases is at our discretion and will depend upon several factors, including market and business conditions, future cash flows, share price, and share availability. Repurchased shares are retired and returned to an authorized but unissued status. The repurchase program may be suspended or discontinued at any time without prior notice. At October 31, 2017, authorization for \$134.1 million of repurchases remained under our share repurchase program. We do not anticipate additional repurchases in the near future.

Repurchase Activity

	Years Ended October 31,		
	2017	2016	2015
<i>(in millions, except per share amounts)</i>			
Total number of shares purchased	0.2	1.4	1.0
Average price paid per share	\$ 40.07	\$ 33.48	\$ 30.72
Total cash paid for share repurchases	\$ 7.9	\$ 46.6	\$ 31.4

16. SHARE-BASED COMPENSATION PLANS

We use various share-based compensation plans to provide incentives for our key employees and directors. Currently, these incentives primarily consist of RSUs, performance shares, and stock options.

On May 2, 2006, our stockholders approved the 2006 Equity Incentive Plan (the "2006 Equity Plan"). The 2006 Equity Plan is an omnibus plan that provides for a variety of equity and equity-based award vehicles, including stock options, stock appreciation rights, RSUs, performance shares, and other share-based awards. Shares subject to awards that terminate without vesting or exercise are available for future awards under the 2006 Equity Plan. Certain of the awards under the 2006 Equity Plan may qualify as "performance-based" compensation under the IRC.

The 2006 Equity Plan was amended in March 2015 to increase the total shares of common stock authorized for issuance to 11,679,265. At October 31, 2017, there were 1,787,954 shares of common stock available for grant for future equity-based compensation awards under the plan. In addition, there are certain plans under which we can no longer issue awards, although awards outstanding under these plans may still vest and be exercised.

We also maintain an employee stock purchase plan, which our stockholders approved on March 9, 2004 (the "2004 Employee Stock Purchase Plan"). The 2004 Employee Stock Purchase Plan was amended in March 2016 to increase the total shares of common stock authorized for issuance to 4,000,000. Effective May 1, 2006, the plan is no longer considered compensatory and the values of the awards are no longer treated as share-based compensation expense. Additionally, as of that date, the purchase price became 95% of the fair value of our common stock price on the last trading day of the month. Employees may designate up to 10% of their compensation for the purchase of stock, subject to a \$25,000 annual limit. Employees are required to hold their shares for a minimum of six months from the date of purchase. At October 31, 2017, there were 971,412 remaining unissued shares under the plan.

Compensation Expense by Type of Award and Related Income Tax Benefit

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
RSUs	\$ 7.2	\$ 7.1	\$ 6.9
Performance shares	6.1	6.7	6.5
Stock options	—	0.3	0.8
Share-based compensation expense before income taxes ⁽¹⁾	13.3	14.0	14.2
Income tax benefit	(5.4)	(6.0)	(5.9)
Share-based compensation expense, net of taxes	\$ 7.9	\$ 8.0	\$ 8.3

⁽¹⁾Includes share-based compensation expenses related to discontinued operations of \$0.3 million for 2015.

RSUs and Dividend Equivalent Rights

We award RSUs to eligible employees and our directors (each, a "Grantee") that entitle the Grantee to receive shares of our common stock as the units vest. RSUs granted to eligible employees generally vest with respect to 50% of the underlying award on the second and fourth anniversary of the award. RSUs granted to directors vest over three years. In general, the receipt of RSUs is subject to the Grantee's continuing employment or service as a director.

RSUs are credited with dividend equivalent rights that are converted to RSUs at the fair market value of our common stock on the dates the dividend payments are made and are subject to the same terms and conditions as the underlying award.

RSU Activity

	Number of Shares (in millions)	Weighted-Average Grant Date Fair Value per Share
Outstanding at October 31, 2016	1.0	\$ 28.83
Granted	0.4	41.79
Vested (including 0.1 shares withheld for income taxes)	(0.4)	26.45
Forfeited	(0.1)	31.29
Outstanding at October 31, 2017	0.9	\$ 34.18

At October 31, 2017, total unrecognized compensation cost, net of estimated forfeitures, related to RSUs was \$21.0 million, which is expected to be recognized ratably over a weighted-average vesting period of 3.1 years. In 2017, 2016, and 2015, the weighted-average grant date fair value per share of awards granted was \$41.79, \$35.62, and \$29.31, respectively. In 2017, 2016, and 2015, the total grant date fair value of RSUs vested and converted to shares of ABM common stock was \$9.4 million, \$7.2 million, and \$9.4 million, respectively.

Performance Shares, Including TSR Performance Shares

Performance shares consist of a contingent right to receive shares of our common stock based on performance targets adopted by our Compensation Committee. Performance shares are credited with dividend equivalent rights that will be converted to performance shares at the fair market value of our common stock beginning after the performance targets have been satisfied and are subject to the same terms and conditions as the underlying award.

For certain performance share awards, the number of performance shares that will vest is based on pre-established internal financial performance targets and typically a three-year service and performance period. The number of TSR awards that will vest is based on our total shareholder return relative to the S&P 600 at the time of grant over the respective three-year performance period. Vesting of 0% to 150% of the awards originally granted may occur depending on the respective performance metrics under both award types.

Performance Share Activity

	Number of Shares (in millions)	Weighted-Average Grant Date Fair Value per Share
Outstanding at October 31, 2016	0.9	\$ 29.28
Granted	0.2	39.21
Vested (including 0.1 shares withheld for income taxes)	(0.3)	27.41
Performance adjustments	—	28.06
Forfeited	(0.1)	31.74
Outstanding at October 31, 2017	0.8	\$ 32.83

At October 31, 2017, total unrecognized compensation cost related to performance share awards was \$11.5 million, which is expected to be recognized ratably over a weighted-average vesting period of 1.9 years. Except for TSR performance shares, these costs are based on estimated achievement of performance targets and estimated costs are periodically reevaluated. For our TSR performance shares, these costs are based on the fair value of awards at the grant date and are recognized on a straight-line basis over the service period of 3 years.

In 2017, 2016, and 2015, the weighted-average grant date fair value per share of awards granted was \$39.21, \$28.99, and \$29.82, respectively. In 2017, 2016, and 2015, the total grant date fair value of performance shares vested and converted to shares of ABM common stock was \$7.0 million, \$6.6 million, and \$5.0 million.

In 2017, 2016 and 2015, we used the Monte Carlo simulation valuation technique to estimate the fair value of TSR performance share grants, which used the assumptions in the table below.

Monte Carlo Assumptions

	2017	2016	2015
Expected life ⁽¹⁾	2.14 years	2.13 years	2.15 years
Expected stock price volatility ⁽²⁾	21.4%	19.0%	18.9%
Risk-free interest rate ⁽³⁾	1.3%	0.8%	0.8%
Stock price ⁽⁴⁾	\$ 40.21	\$ 38.65	\$ 30.25

⁽¹⁾ The expected life represents the remaining performance period of the awards.

⁽²⁾ The expected volatility for each grant is determined based on the historical volatility of our common stock over a period equal to the remaining term of the performance period from the date of grant for all awards.

⁽³⁾ The risk-free interest rate is based on the continuous compounded yield on U.S. Treasury Constant Maturity Rates with varying remaining terms; the yield is determined over a time period commensurate with the performance period from the grant date.

⁽⁴⁾ The stock price is the closing price of our common stock on the valuation date.

Stock Options

Typically, stock options vest and become exercisable at a rate of 25% per year beginning one year after the date of grant. However, terms of stock options can vary, and certain stock options granted on January 10, 2011 vested on the fifth anniversary of the award. During 2017, 2016, and 2015, no stock options were granted. All option grants provide for an option exercise price equal to the closing market value of the common stock on the date of grant. Options typically expire 7 years after the date of grant.

Stock Option Activity

	Number of Shares (in millions)	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (in years) ⁽¹⁾	Aggregate Intrinsic Value (in millions) ⁽²⁾
Outstanding at October 31, 2016	0.4	\$ 17.74		
Forfeited or expired	—	25.30		
Exercised	(0.1)	20.13		
Outstanding at October 31, 2017	0.2	\$ 16.29	2.0	\$ 6.2
Exercisable at October 31, 2017	0.1	\$ 18.49	2.0	\$ 3.2

⁽¹⁾ Excludes contractual terms associated with plans prior to the 2006 Equity Plan due to the uncertainty of expiration.

⁽²⁾ Amount by which the current market price of our common stock on October 31, 2017 exceeds the exercise price.

At October 31, 2017, we had no unrecognized compensation cost related to stock option grants. For 2017, 2016, and 2015, the total intrinsic value of stock options exercised was \$2.6 million, \$3.4 million, and \$8.8 million, respectively. In 2017, 2016, and 2015, the total grant date fair value of stock options vested was \$0.2 million, \$1.7 million, and \$2.1 million, respectively.

Employee Stock Purchase Plan

	Years Ended October 31,		
	2017	2016	2015
<i>(in millions, except per share amounts)</i>			
Weighted average fair value of granted purchase rights per share	\$ 2.11	\$ 1.63	\$ 1.51
Common stock issued	0.1	0.2	0.2
Fair value of common stock issued per share	\$ 40.07	\$ 30.94	\$ 28.77
Aggregate purchases	\$ 4.7	\$ 4.7	\$ 4.7

17. INCOME TAXES

Geographic Sources of Income From Continuing Operations Before Income Taxes

	Years Ended October 31,		
	2017	2016	2015
<i>(in millions)</i>			
United States	\$ 76.1	\$ 45.1	\$ 60.5
Foreign	10.8	6.8	11.9
Income from continuing operations before income taxes	\$ 86.9	\$ 51.9	\$ 72.4

Components of Income Tax (Provision) Benefit

	Years Ended October 31,		
	2017	2016	2015
<i>(in millions)</i>			
Current:			
Federal	\$ (5.9)	\$ 17.5	\$ (3.7)
State	(6.0)	(9.3)	(3.7)
Foreign	(3.0)	(1.5)	(2.8)
Deferred:			
Federal	5.0	3.6	(7.9)
State	0.3	(0.5)	(0.3)
Foreign	0.8	0.6	0.1
Income tax (provision) benefit	\$ (8.8)	\$ 10.4	\$ (18.3)

Reconciliation of the U.S. Statutory Tax Rate to Annual Effective Tax Rate (Benefit)

	Years Ended October 31,		
	2017	2016	2015
U.S. statutory rate	35.0 %	35.0 %	35.0 %
State and local income taxes, net of federal tax benefit	5.5	7.8	6.5
Federal and state tax credits	(7.5)	(22.7)	(9.6)
Impact of foreign operations	(2.7)	(5.0)	(3.6)
Changes in uncertain tax positions	(19.7)	(40.0)	(5.2)
Incremental tax benefit from share-based compensation awards	(4.2)	(4.2)	—
Tax credits for energy efficient government buildings	(2.2)	(2.4)	(2.8)
Nondeductible expenses	5.7	7.7	3.8
Other, net	0.1	3.8	1.2
Annual effective tax rate (benefit)	10.1 %	(20.0)%	25.3 %

Our income taxes for 2017 were favorably impacted by a benefit of \$17.8 million, including interest of \$1.2 million, related to expiring statutes of limitations for an uncertain tax position. In addition, in 2017 we also benefited from \$3.6 million of excess tax benefits related to the vesting of share-based compensation awards, \$1.9 million of tax credits for energy efficient government buildings, and the 2017 WOTC.

Our income taxes for 2016 were favorably impacted by a benefit of \$20.8 million, including interest of \$0.6 million, related to expiring statutes of limitations for an uncertain tax position, \$6.7 million of WOTC related to new hires in 2016, \$5.1 million of WOTC from the retroactive reinstatement of the WOTC for calendar year 2015, \$2.2 million of excess tax benefits related to the vesting of share-based compensation awards, and \$1.2 million of tax credits for energy efficient government buildings.

Components of Deferred Tax Assets and Liabilities

<i>(in millions)</i>	As of October 31,	
	2017	2016
Deferred tax assets attributable to:		
Self-insurance claims (net of recoverables)	\$ 124.4	\$ 108.4
Deferred and other compensation	34.7	33.4
Impairment loss on assets held for sale	—	9.2
Accounts receivable allowances	8.9	6.6
Settlement liabilities	6.5	2.6
Other accruals	3.5	2.9
Other comprehensive income	0.4	1.5
State taxes	0.8	0.6
State net operating loss carryforwards	12.3	5.7
Federal net operating loss carryforwards	19.9	—
Tax credits	19.9	9.9
Unrecognized tax benefits	7.2	2.6
Other	3.1	3.1
Gross deferred tax assets	241.5	186.5
Valuation allowance	(7.7)	(5.4)
Total deferred tax assets	233.8	181.1
Deferred tax liabilities attributable to:		
Property, plant and equipment	(5.9)	(2.2)
Goodwill and other acquired intangibles	(282.0)	(141.8)
Equity in earnings of foreign investments	(3.2)	(3.2)
Total deferred tax liabilities	(291.1)	(147.2)
Net deferred tax (liabilities) assets	\$ (57.3)	\$ 33.9

Operating Loss Carryforwards and Tax Credits

State operating loss carryforwards totaling \$208.4 million at October 31, 2017 are being carried forward in a number of state jurisdictions where we are permitted to use tax operating losses from prior periods to reduce future taxable income. These operating losses will expire between 2018 and 2037. Federal operating loss carryforwards totaling \$56.8 million are available to reduce future taxable income and will expire between 2037 and 2038. Federal and state tax credits totaling \$25.1 million are available to reduce future cash taxes and will expire between 2021 and 2038, other than alternate minimum tax credits which do not expire.

The valuation allowance represents the amount of tax benefits related to state net operating loss carryforwards that are not likely to be realized. We believe the remaining net deferred tax assets are more likely than not to be realizable based on estimates of future taxable income.

Changes to the Deferred Tax Asset Valuation Allowance

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
Valuation allowance at beginning of year	\$ 5.4	\$ 5.5	\$ 6.2
GCA Services acquisition	4.1	—	—
Sale of Security business	—	—	(0.8)
Other, net	(1.8)	(0.1)	0.1
Valuation allowance at end of year	\$ 7.7	\$ 5.4	\$ 5.5

Unrecognized Tax Benefits

At October 31, 2017, 2016, and 2015, there were \$50.5 million, \$52.0 million, and \$75.6 million, respectively, of unrecognized tax benefits that if recognized in the future would impact our effective tax rate. We estimate that a decrease in unrecognized tax benefits of up to approximately \$12.2 million is reasonably possible over the next twelve months due to the resolution of certain tax matters. At October 31, 2017 and 2016, accrued interest and penalties were \$1.9 million and \$2.3 million, respectively. For interest and penalties we recognized a benefit of \$0.5 million and \$0.9 million in 2017 and 2016, respectively, and expense of \$1.0 million in 2015.

Reconciliation of Total Unrecognized Tax Benefits

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
Balance at beginning of year	\$ 57.2	\$ 82.5	\$ 85.5
Additions for tax positions related to the current year	—	—	2.1
Additions for tax positions related to prior years	16.4	—	0.1
Reductions for tax positions related to prior years	(0.1)	(3.2)	—
Reductions for lapse of statute of limitations	(19.7)	(21.9)	(5.2)
Settlements	(0.3)	(0.2)	—
Balance at end of year	<u>\$ 53.4</u>	<u>\$ 57.2</u>	<u>\$ 82.5</u>

Jurisdictions

We conduct business in all 50 states, significantly in California, Texas, and New York, as well as in various foreign jurisdictions. Our most significant income tax jurisdiction is the United States.

Tax Years Open for Examination, by Entity

Entity	Open by Statute
ABM state tax returns ⁽¹⁾	10/31/2013 – 10/31/2017
ABM federal tax returns	10/31/2014 – 10/31/2017
GCA state tax returns	12/31/2013 – 9/1/2017
GCA federal tax returns	12/31/2014 – 9/1/2017

⁽¹⁾ We are currently being examined by the taxing authorities in the states of Alabama, Arizona, California, Connecticut, Florida, Massachusetts, New Jersey, New York, and Tennessee.

Reinvestment of Foreign Earnings

We plan to reinvest our foreign earnings to fund future non-U.S. growth and expansion. As a result, we do not anticipate remitting such earnings to the United States and have not provided for federal and state income taxes or foreign withholding taxes that may result if such earnings of our foreign subsidiaries are remitted to the United States.

18. SEGMENT AND GEOGRAPHIC INFORMATION

Segment Information

Effective November 1, 2016, we reorganized our reportable segments to reflect how we now manage our business by industry group. Our reportable segments consist of Business & Industry ("B&I"), Aviation, Emerging Industries Group, Technical Solutions, and the newly acquired GCA Services. Among other changes, once we integrate GCA into our industry group model in 2018, we anticipate our Education industry group will become a reportable segment. We also expect to present a new Technology & Manufacturing reportable segment, that will combine our High Tech industry group and the legacy GCA and ABM Industrial & Manufacturing ("I&M") businesses. ABM's legacy I&M business was included in the B&I segment. Refer to Note 2, "Basis of Presentation and Significant Accounting Policies," for information related to the former Government Services business.

ONGOING REPORTABLE SEGMENTS AND DESCRIPTIONS	
B&I	B&I, our largest reportable segment, encompasses janitorial, facilities engineering, and parking services for commercial real estate properties, sports and entertainment venues, and industrial and manufacturing sites.
Aviation	Aviation supports airlines and airports with services ranging from parking and janitorial to passenger assistance, catering, air cabin maintenance, and transportation. Aviation also includes an investment in an unconsolidated affiliate that was previously part of our government business under our legacy Building & Energy Solutions segment.
Emerging Industries Group	Our Emerging Industries Group is comprised of our Education, Healthcare, and High Tech industry groups. Services include janitorial, facilities engineering, and parking services for clients in these industries.
Technical Solutions	Technical Solutions provides specialized mechanical and electrical services. These services can also be leveraged for cross-selling within B&I, Aviation, and the Emerging Industries Group, both domestically and internationally.
GCA Services	GCA Services is a provider of integrated facility services to educational institutions and commercial facilities.

The accounting policies for our segments are the same as those disclosed within our significant accounting policies in Note 2, "Basis of Presentation and Significant Accounting Policies." Our management evaluates the performance of each reportable segment based on its respective operating profit results, which include the allocation of certain centrally incurred costs. Corporate expenses not allocated to segments include certain CEO and other finance and human resource departmental expenses, certain information technology costs, share-based compensation, certain legal costs and settlements, restructuring and related costs, certain adjustments resulting from actuarial developments of self-insurance reserves, and direct acquisition costs. Management does not review asset information by segment, therefore we do not present assets in this note.

Financial Information by Reportable Segment

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
Revenues			
Business & Industry	\$ 2,992.5	\$ 2,949.1	\$ 2,890.3
Aviation	988.1	851.8	790.0
Emerging Industries Group	777.1	801.9	777.0
Technical Solutions	439.6	425.3	296.9
GCA Services	169.7	—	—
Government Services	86.5	116.7	143.7
	<u>\$ 5,453.6</u>	<u>\$ 5,144.7</u>	<u>\$ 4,897.8</u>
Operating profit (loss)			
Business & Industry	\$ 154.0	\$ 135.4	\$ 145.5
Aviation	28.8	27.7	28.8
Emerging Industries Group	45.9	61.0	50.4
Technical Solutions	39.0	28.9	17.7
GCA Services	3.4	—	—
Government Services	21.8	(23.4)	2.9
Corporate	(185.0)	(167.2)	(160.7)
Adjustment for income from unconsolidated affiliates, net, included in Aviation and Government Services	(4.1)	(6.5)	(9.0)
Adjustment for tax credits for energy efficient government buildings, included in Technical Solutions	(1.9)	(1.2)	(2.0)
	<u>101.9</u>	<u>54.7</u>	<u>73.6</u>
Income from unconsolidated affiliates, net	4.2	7.6	9.0
Interest expense	(19.2)	(10.4)	(10.2)
Income from continuing operations before income taxes	<u>\$ 86.9</u>	<u>\$ 51.9</u>	<u>\$ 72.4</u>
Depreciation and amortization⁽¹⁾			
Business & Industry	\$ 17.1	\$ 17.7	\$ 18.1
Aviation	13.3	12.2	13.2
Emerging Industries Group	5.0	5.5	5.7
Technical Solutions	12.5	12.3	8.7
GCA Services	10.8	—	—
Government Services	—	1.6	1.8
Corporate	11.4	8.2	9.5
	<u>\$ 70.1</u>	<u>\$ 57.5</u>	<u>\$ 57.0</u>

⁽¹⁾ Excludes amortization related to income from unconsolidated affiliates.

Geographic Information Based on the Country in Which the Sale Originated⁽¹⁾

<i>(in millions)</i>	Years Ended October 31,		
	2017	2016	2015
Revenues			
United States	\$ 5,126.8	\$ 4,845.3	\$ 4,687.2
All other countries	326.8	299.4	210.6
	<u>\$ 5,453.6</u>	<u>\$ 5,144.7</u>	<u>\$ 4,897.8</u>

⁽¹⁾ Substantially all of our long-lived assets are related to United States operations.

19. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

	Fiscal Quarter			
	First	Second	Third	Fourth
<i>(in millions, except per share amounts)</i>				
Year ended October 31, 2017				
Revenues	\$ 1,326.7	\$ 1,310.5	\$ 1,318.4	\$ 1,497.9
Gross profit	131.6	145.9	134.0	160.9
Income (loss) from continuing operations	16.1	31.6	32.9	(2.5)
Loss from discontinued operations, net of taxes	(72.9)	(0.4)	—	(1.1)
Net (loss) income	<u>\$ (56.8)</u>	<u>\$ 31.3</u>	<u>\$ 32.9</u>	<u>\$ (3.6)</u> ⁽¹⁾
Net income per common share — Basic				
Income (loss) from continuing operations	\$ 0.29	\$ 0.56	\$ 0.59	\$ (0.04)
Loss from discontinued operations	(1.30)	(0.01)	—	(0.02)
Net (loss) income	<u>\$ (1.01)</u>	<u>\$ 0.56</u>	<u>\$ 0.59</u>	<u>\$ (0.06)</u>
Net income per common share — Diluted				
Income (loss) from continuing operations	\$ 0.28	\$ 0.56	\$ 0.58	\$ (0.04)
Loss from discontinued operations	(1.28)	(0.01)	—	(0.02)
Net (loss) income	<u>\$ (1.00)</u>	<u>\$ 0.55</u>	<u>\$ 0.58</u>	<u>\$ (0.06)</u> ⁽¹⁾
Year ended October 31, 2016				
Revenues	\$ 1,268.4	\$ 1,257.1	\$ 1,296.9	\$ 1,322.3
Gross profit	127.1	129.5	135.6	149.0
Income from continuing operations	13.6	6.8	32.9	9.0
Income (loss) from discontinued operations, net of taxes	0.4	(2.4)	(1.8)	(1.2)
Net income	<u>\$ 14.0</u>	<u>\$ 4.4</u>	<u>\$ 31.1</u> ⁽²⁾	<u>\$ 7.8</u>
Net income per common share — Basic				
Income from continuing operations	\$ 0.24	\$ 0.12	\$ 0.58	\$ 0.16
Income (loss) from discontinued operations	0.01	(0.04)	(0.03)	(0.02)
Net income	<u>\$ 0.25</u>	<u>\$ 0.08</u>	<u>\$ 0.55</u>	<u>\$ 0.14</u>
Net income per common share — Diluted				
Income from continuing operations	\$ 0.24	\$ 0.12	\$ 0.58	\$ 0.16
Loss from discontinued operations	—	(0.04)	(0.03)	(0.02)
Net income	<u>\$ 0.24</u>	<u>\$ 0.08</u>	<u>\$ 0.55</u> ⁽²⁾	<u>\$ 0.14</u>

⁽¹⁾ Includes transaction expenses of \$22.0 million, or \$0.38 per diluted share, related to the GCA acquisition.

⁽²⁾ Includes a tax benefit of \$19.0 million, or \$0.33 per diluted share, related to expiring statutes of limitations.

20. SUBSEQUENT EVENTS

The Tax Cuts and Jobs Act of 2017 was approved by Congress on December 20, 2017, and as of the filing of this report, it is awaiting signature by President Donald J. Trump. The law includes significant changes to the U.S. corporate income tax system, including a Federal corporate rate reduction from 35% to 21%, limitations on the deductibility of interest expense and executive compensation, and the transition of U.S. international taxation from a worldwide tax system to a territorial tax system. This change may result in a U.S. tax liability on those earnings which have not previously been repatriated to the U.S., with future foreign earnings potentially not subject to U.S. income taxes when repatriated. The majority of the provisions will have an impact on ABM beginning in fiscal years 2018 and 2019. We are in the process of analyzing the final legislation and determining an estimate of the financial impact.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

a. Disclosure Controls and Procedures.

As of the end of the period covered by this report, our Principal Executive Officer and Principal Financial Officer evaluated our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that as of the end of the period covered by this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and (2) accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

b. Management's Report on Internal Control Over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of October 31, 2017.

The Company acquired Mechanical Solutions, Inc. ("MSI") and OFJ Connections Ltd ("OFJ") on December 1, 2016 and GCA Holding Corp., the indirect parent company of GCA Services Group ("GCA"), on September 1, 2017. Management excluded these three businesses from its assessment of the effectiveness of the Company's internal control over financial reporting as of October 31, 2017. These three businesses represented, in aggregate, approximately 5% of the Company's total consolidated assets (excluding goodwill and intangibles which are included within the scope of the assessment) and 4% of total consolidated revenues, as of and for the year ended October 31, 2017.

Audit Report on Internal Controls over Financial Reporting of the Registered Public Accounting Firm

KPMG LLP, an independent registered public accounting firm, has audited the consolidated financial statements included in this Annual Report on Form 10-K and, as part of their audit, has issued their report, included herein, on the effectiveness of our internal control over financial reporting.

c. Changes in Internal Control Over Financial Reporting.

During 2017, we completed the acquisitions of GCA, MSI, and OFJ. As described above, we excluded these acquisitions from the scope of management's report on internal controls over financial reporting for the year ended October 31, 2017. We are in the process of integrating these acquisitions into our overall internal control over financial reporting process and will include them in scope for the year ending October 31, 2018. In addition, we are currently migrating many of our financial reporting and other processes to our Enterprise Services Center as part of our **2020 Vision** strategic initiative. We plan to continue migrating such processes during 2018. Both the process of integrating these acquisitions into our overall internal control over financial reporting process and the migration of financial reporting and other processes into our Enterprise Services Center may result in additions or changes to our internal control over financial reporting.

There were no other changes in our internal control over financial reporting during the fourth fiscal quarter of 2017 identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Information about our executive officers is found in Part I, Item 1 of this Form 10-K under "Executive Officers of Registrant." Additional information required by this item is set forth under the captions "Proposal No. 1—Election of Directors," "Corporate Governance and Board Matters," "Audit-Related Matters," and "Section 16(a) Beneficial Ownership Reporting Compliance" in our Definitive Proxy Statement for our Annual Meeting of Shareholders scheduled to be held on March 7, 2018 ("2018 Proxy Statement"). This information is incorporated by reference into this Annual Report on Form 10-K. Our 2018 Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the conclusion of our fiscal year ended October 31, 2017.

On March 24, 2017, we filed our Annual CEO Certification as required by Section 303A.12 of the NYSE Listed Company Manual.

Code of Business Conduct

We have adopted and posted on our website (www.abm.com) the ABM Code of Business Conduct, which applies to all of our directors, officers, and employees, including our Principal Executive Officer, Principal Financial Officer, and Principal Accounting Officer. If any amendments are made to the Code of Business Conduct or if any waiver, including any implicit waiver, from a provision of the Code of Business Conduct is granted to our Principal Executive Officer, Principal Financial Officer, or Principal Accounting Officer, we will disclose the nature of such amendment or waiver on our website at the address specified above.

ITEM 11. EXECUTIVE COMPENSATION.

Information with respect to executive compensation is incorporated by reference from the information set forth under the captions "Director Compensation," "Executive Compensation," and "Corporate Governance and Board Matters" in our 2018 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Information with respect to security ownership of certain beneficial owners and management and equity compensation plan information and related stockholder matters is incorporated by reference from the information set forth under the captions "Security Ownership of Certain Beneficial Owners," "Security Ownership of Directors and Executive Officers," and "Equity Compensation Plan Information" in our 2018 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Information with respect to certain relationships and related transactions and with respect to director independence is incorporated by reference from the information set forth under the captions "Certain Relationships and Transactions with Related Persons" and "Corporate Governance and Board Matters" in our 2018 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

Information with respect to our Audit Committee's pre-approval policy for audit services and our principal accounting fees and services is incorporated by reference from the information set forth under the caption "Audit-Related Matters" in our 2018 Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) The following documents are filed as part of this report:

1. Financial Statements: Index to Consolidated Financial Statements	
Report of Independent Registered Public Accounting Firm	49
Consolidated Balance Sheets at October 31, 2017 and 2016	50
Consolidated Statements of Comprehensive Income for the Years Ended October 31, 2017, 2016, and 2015	51
Consolidated Statements of Stockholders' Equity for the Years Ended October 31, 2017, 2016, and 2015	52
Consolidated Statements of Cash Flows for the Years Ended October 31, 2017, 2016, and 2015	53
2. Financial Statement Schedule	
Valuation and Qualifying Accounts for the Years Ended October 31, 2017, 2016, and 2015	96
3. Exhibits	
See Exhibit Index	97

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

<i>(in millions)</i>	<u>Balance Beginning of Year</u>	<u>Charges to Costs and Expenses</u>	<u>Write-offs⁽¹⁾/ Allowance Taken</u>	<u>Balance End of Year</u>
Accounts receivable and sales allowances				
2017	\$ 18.1 ⁽²⁾	47.4	(40.0)	\$ 25.5
2016	8.6	29.1	(19.6)	18.1 ⁽²⁾
2015	9.2	17.2	(17.8)	8.6

⁽¹⁾ Write-offs are net of recoveries.

⁽²⁾ Includes amounts that were classified as held for sale.

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
2.1	Agreement and Plan of Merger, dated July 11, 2017, among GCA Holding Corp., ABM Industries Incorporated, Grade Sub One, Inc., Grade Sub Two, LLC and Thomas H. Lee Equity Fund VII, L.P. and Broad Street Principal Investments Holdings, L.P., acting jointly as the Securityholder Representative	8-K	001-08929	2.1	July 14, 2017
3.1	Restated Certificate of Incorporation of ABM Industries Incorporated, dated November 25, 2003	10-K	001-08929	3.1	January 14, 2004
3.2	Bylaws, as amended January 24, 2017	8-K	001-08929	3.1	January 26, 2017
10.1	Shareholders' Agreement, dated September 1, 2017, among ABM Industries Incorporated, Thomas H. Lee Equity Fund VII, L.P., Thomas H. Lee Parallel Fund VII, L.P., Thomas H. Lee Parallel (Cayman) Fund VII, L.P., THL Executive Fund VII, L.P., THL Fund VII Coinvestment Partners, L.P., Broad Street Principal Investments Holdings, L.P., Bridge Street 2015, L.P., MBD 2015, L.P., Stone Street 2015, L.P., 2015 Employee Offshore Aggregator, L.P., and Goldman Sachs & Co. LLC	8-K	001-08929	10.1	September 8, 2017
10.2	Credit Agreement, dated as of September 1, 2017, by and among ABM Industries Incorporated, a Delaware corporation, certain subsidiaries of ABM Industries Incorporated from time to time party thereto, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent	8-K	001-08929	10.2	September 8, 2017
10.3†	Letter Agreement, dated November 6, 2017, between ABM Industries Incorporated and Bank of America, N.A., as Swingline Lender with respect to the Credit Agreement dated as of September 1, 2017, among ABM Industries Incorporated, the Designated Borrowers party thereto, the Lenders party thereto and Bank of America, N.A., as administrative agent				
10.4*	ABM Executive Retiree Healthcare and Dental Plan	10-K	001-08929	10.17	January 14, 2005
10.5*	Director Retirement Plan Distribution Election Form, as revised June 16, 2006	10-Q	001-08929	10.1	September 8, 2006
10.6*	Deferred Compensation Plan for Non-Employee Directors, as amended and restated December 13, 2010	10-K	001-08929	10.7	December 23, 2010
10.7*	Form of Director's Indemnification Agreement	8-K	001-08929	10.1	September 4, 2015
10.8*	ABM Executive Officer Incentive Plan, as amended and restated June 3, 2008	10-Q	001-08929	10.6	September 8, 2008
10.9*	2006 Equity Incentive Plan, as amended and restated October 20, 2016	10-K	001-08929	10.13	December 21, 2016

10.10*	Statement of Terms and Conditions Applicable to Options, Restricted Stock and Restricted Stock Units and Performance Shares Granted to Employees Pursuant to the 2006 Equity Incentive Plan, as amended and restated December 9, 2013	8-K	001-08929	10.1	December 23, 2013
10.11*	Statement of Terms and Conditions Applicable to Options, Restricted Stock and Restricted Stock Units and Performance Shares Granted to Employees Pursuant to the 2006 Equity Incentive Plan, for Awards Granted on or after March 4, 2015	10-Q	001-08929	10.2	June 3, 2015
10.12*	Statement of Terms and Conditions Applicable to Options, Restricted Stock and Restricted Stock Units Granted to Directors Pursuant to the 2006 Equity Incentive Plan, as amended and restated December 9, 2013	10-K	001-08929	10.16	December 18, 2013
10.13*	Statement of Terms and Conditions Applicable to Options, Restricted Stock and Restricted Stock Units Granted to Directors Pursuant to the 2006 Equity Incentive Plan, for Awards Granted on or after March 4, 2015	10-Q	001-08929	10.3	June 3, 2015
10.14*	Statement of Terms and Conditions Applicable to Restricted Stock Units Granted Pursuant to the 2006 Equity Incentive Plan to Directors Who Elect to Relinquish Their Benefits Effective November 1, 2006, as amended and restated September 8, 2010	10-K	001-08929	10.13	December 23, 2010
10.15*	Form of Non-Qualified Stock Option Agreement — 2006 Equity Plan	10-Q	001-08929	10.4	June 4, 2010
10.16*	Form of Restricted Stock Unit Agreement — 2006 Equity Plan	10-Q	001-08929	10.50	June 4, 2010
10.17*	Form of Performance Share Agreement — 2006 Equity Plan	10-K	001-08929	10.20	December 18, 2013
10.18*	Form of Performance Share Agreement for Awards to Certain Executive Officers	8-K	001-08929	10.5	January 16, 2015
10.19*	Executive Stock Option Plan (aka Age-Vested Career Stock Option Plan), as amended and restated June 4, 2012	10-Q	001-08929	10.1	September 6, 2012
10.20*	Time-Vested Incentive Stock Option Plan, as amended and restated September 4, 2007	10-Q	001-08929	10.2	September 10, 2007
10.21*	1996 Price-Vested Performance Stock Option Plan, as amended and restated September 4, 2007	10-Q	001-08929	10.3	September 10, 2007
10.22*	2002 Price-Vested Performance Stock Option Plan, as amended and restated September 4, 2007	10-Q	001-08929	10.4	September 10, 2007
10.23*	Deferred Compensation Plan for Executives, as amended and restated October 25, 2010	10-K	001-08929	10.22	December 23, 2010
10.24*	Form of Stock Option Agreement dated March 31, 2010 for Awards to Certain Executive Officers	8-K	001-08929	10.3	April 2, 2010
10.25*	Supplemental Executive Retirement Plan, as amended and restated June 3, 2008	10-Q	001-08929	10.4	September 8, 2008
10.26*	Service Award Benefit Plan, as amended and restated June 3, 2008	10-Q	001-08929	10.5	September 8, 2008
10.27*	Senior Executive Severance Pay Policy, as amended and restated March 7, 2011	10-Q	001-08929	10.1	March 10, 2011

10.28*	Executive Employment Agreement, dated as of January 12, 2015, by and between ABM Industries Incorporated and Scott Salmirs	8-K	001-08929	10.2	January 16, 2015
10.29*	Change in Control Agreement, dated as of January 12, 2015, by and between ABM Industries Incorporated and Scott Salmirs	8-K	001-08929	10.3	January 16, 2015
10.30*‡	Amended and Restated Executive Employment Agreement, dated as of September 22, 2017, by and between ABM Industries Incorporated and Scott Salmirs				
10.31*‡	Amended and Restated Change in Control Agreement, dated as of September 22, 2017, by and between ABM Industries Incorporated and Scott Salmirs				
10.32*	Amended Executive Employment Agreement, dated as of January 13, 2015, by and between ABM Industries Incorporated and James P. McClure	10-Q	001-08929	10.2	March 4, 2015
10.33*	Form of Amended and Restated Executive Change in Control Agreement with James P. McClure	8-K	001-08929	10.1	December 31, 2008
10.34*‡	Retirement and Release Agreement, dated as of September 5, 2017, by and between ABM Industries Incorporated and James P. McClure				
10.35*	Executive Employment Agreement, dated as of April 6, 2015, by and between ABM Industries Incorporated and D. Anthony Scaglione	8-K	001-08929	10.1	April 10, 2015
10.36*	Change in Control Agreement, dated as of April 6, 2015, by and between ABM Industries Incorporated and D. Anthony Scaglione	8-K	001-08929	10.2	April 10, 2015
10.37*‡	Amended and Restated Executive Employment Agreement, dated as of September 22, 2017, by and between ABM Industries Incorporated and D. Anthony Scaglione				
10.38*‡	Amended and Restated Change in Control Agreement, dated as of September 22, 2017, by and between ABM Industries Incorporated and D. Anthony Scaglione				
10.39*	Form of Executive Employment Agreement with James S. Lusk, James P. McClure, Sarah H. McConnell, and Tracy K. Price	8-K	001-08929	10.1	October 22, 2014
10.40*	Executive Change in Control Agreement with Sarah H. McConnell	10-K	001-08929	10.32	December 22, 2009
10.41*	Change in Control Agreement, dated as of March 9, 2016, by and between ABM Industries Incorporated and Dean A. Chin	10-Q	001-08929	10.1	March 9, 2016
10.42*	Executive Employment Agreement, dated as of January 16, 2016, by and between ABM Industries Incorporated and Dean A. Chin	10-Q	001-08929	10.2	March 9, 2016
10.43*	Executive Employment Agreement, dated as of January 16, 2016, by and between ABM Industries Incorporated and Tom Marano	10-Q	001-08929	10.1	June 8, 2017
10.44*	Form of Executive Employment Agreement (without term)	10-K	001-08929	10.34	December 30, 2012
10.45*	Form of Executive Employment Agreement (with term)	8-K	001-08920	10.1	October 22, 2014

21.1‡	Subsidiaries of the Registrant
23.1‡	Consent of Independent Registered Public Accounting Firm
31.1‡	Certification of Chief Executive Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2‡	Certification of Chief Financial Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	Certifications pursuant to Securities Exchange Act of 1934 Rule 13a-14(b) or 15d-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
101.INS ‡	XBRL Report Instance Document
101.SCH ‡	XBRL Taxonomy Extension Schema Document
101.CAL‡	XBRL Taxonomy Calculation Linkbase Document
101.LAB ‡	XBRL Taxonomy Label Linkbase Document
101.PRE ‡	XBRL Presentation Linkbase Document
101. DEF ‡	XBRL Taxonomy Extension Definition Linkbase Document

* Indicates management contract or compensatory plan, contract, or arrangement

‡ Indicates filed herewith

† Indicates furnished herewith

November 6, 2017

ABM Industries Incorporated
One Liberty Plaza
7th Floor
New York, New York 10006
Attention: Chief Financial Officer

Re: Credit Agreement (as amended, modified, supplemented, increased and extended from time to time, the “Credit Agreement”) dated as of September 1, 2017 among ABM Industries Incorporated, a Delaware corporation, the Designated Borrowers party thereto, the Lenders party thereto and Bank of America, N.A., as Administrative Agent.

Ladies and Gentlemen:

Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement.

Pursuant to Section 2.04(a) of the Credit Agreement each Swingline Loan is required to bear interest at the Base Rate plus the Applicable Rate. The Company has requested, and the Swingline Lender has agreed, that each Swingline Loan shall bear interest, for any day, at a rate equal to the sum of (a) the rate based on clause (b) of the definition of “Eurocurrency Rate” in Section 1.01 of the Credit Agreement plus (b) the Applicable Rate for Revolving Loans that are Eurocurrency Rate Loans.

Notwithstanding the foregoing, (a) the Swingline Lender can at any time cancel this letter upon prior notice to the Company whereupon each Swingline Loan shall thereafter bear interest at the rate set forth in Section 2.04(a) of the Credit Agreement and (b) if the Swingline Lender has received the Swingline Participation Amount from any Lender with respect to a Swingline Loan, then such Swingline Loan shall thereafter bear interest at the rate set forth in Section 2.04(a) of the Credit Agreement.

This letter agreement may be executed in counterparts which, taken together, shall constitute an original. Delivery of an executed counterpart of this letter agreement by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart thereof. This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGE FOLLOWS]

Please sign and return a copy of this letter agreement to acknowledge and confirm your agreement to the terms set out herein.

Sincerely,

BANK OF AMERICA, N.A., as Swingline Lender

By: /s/ Alan Pendergast
Name: Alan Pendergast
Title: Senior Vice President

ACCEPTED AND AGREED:

ABM INDUSTRIES INCORPORATED, a Delaware corporation

By: /s/ D. Anthony Scaglione
Name: D. Anthony Scaglione
Title: Executive Vice President and Chief Financial Officer

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (“Agreement”) is effective November 1, 2017 (“Effective Date”) between Scott Salmirs (“Executive”) and ABM Industries Incorporated, a Delaware corporation (“Company” or “ABM”). As of the Effective Date, this Agreement supersedes in its entirety the Executive Employment Agreement dated March 31, 2015.

In consideration of the terms and commitments contained in this Agreement, the parties agree to and acknowledge the following:

1. EMPLOYMENT.

The Company agrees to employ Executive, and Executive hereby accepts such employment, on the terms and conditions set forth in this Agreement.

2. DUTIES, RESPONSIBILITIES AND TITLE.

Executive’s title shall be President and Chief Executive Officer of the Company. Executive shall have and perform such duties, functions and responsibilities relating to Executive’s employment with Company as may be assigned from time to time by the Board of Directors, consistent with such position. Executive shall report directly to the Board of Directors and shall provide the services hereunder at the Company’s office located in New York City.

3. COMPENSATION.

During Executive’s employment hereunder, Company agrees to compensate Executive, and Executive agrees to accept as compensation in full, as follows:

3.1 **BASE SALARY.** The Company shall pay to Executive an annual base salary (the “Base Salary”) in an amount to be determined by the Board of Directors or its applicable committee (as applicable, the “Committee”) in its sole discretion, provided that Executive’s initial Base Salary as of the Effective Date shall be at an annual rate of \$900,000. The Base Salary shall be subject to applicable state and federal withholdings and shall be paid according to the Company’s standard payroll practices.

3.2 **BONUS.** Executive will be eligible for annual incentive awards pursuant to the terms of the Cash Incentive Program or any applicable successor program (“Cash Bonus”). The target amount for Executive’s Cash Bonus shall be no less than one hundred percent (100%) of Base Salary (“Target Cash Bonus”). Executive’s actual Cash Bonus may range from 0% to an amount greater than Target Cash Bonus; provided that the maximum potential Cash Bonus will be no less than 185% of Base Salary. The Cash Bonus, if any, earned for a fiscal year will be paid no later than the March 15 following the completion of the performance year.

3.3 **EQUITY.** Executive will be eligible to receive annual awards under the 2006 Equity Incentive Plan, as amended and restated, or any applicable successor plan (“Equity Plan”), subject to the terms and conditions of the applicable plan and as determined by the Committee in its discretion.

3.4 REIMBURSEMENTS. The Company shall reimburse Executive for all reasonable and necessary out-of-pocket expenses incurred by Executive in connection with the performance of Executive's duties hereunder, in accordance with the Company's expense reimbursement policies and procedures.

3.5 BENEFITS. Executive will be eligible to participate in the Company's health, welfare and retirement benefit plans generally available for executive officers from time to time.

4. **COMPLIANCE WITH LAWS AND POLICIES; EMPLOYEE PROTECTIONS.** Executive shall dedicate Executive's full business time and attention to the performance of duties hereunder, perform Executive's duties in good faith and to a professional standard, and fully comply with all laws and regulations pertaining to the performance of Executive's responsibilities, all ethical rules, ABM's Code of Business Conduct and Ethics, ABM's Recoupment Policy as well as any and all of policies, procedures and instructions of ABM, in each case as in effect from time to time; provided, it shall not be a violation of the foregoing for Executive to manage Executive's personal, financial and legal affairs to the extent that they do not interfere with Executive's ability to perform Executive's duties to the Company. Prior to joining or agreeing to serve on corporate, civil or charitable boards or committees, Executive shall obtain approval of the Chair of ABM's Governance Committee or otherwise as required by ABM's Corporate Governance Guidelines as in effect from time to time.

Nothing in this Agreement or otherwise limits Executive's ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission (the "SEC") or any other federal, state or local governmental agency or commission ("Government Agency") regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against Executive for any of these activities, and nothing in this Agreement or otherwise requires Executive to waive any monetary award or other payment that Executive might become entitled to from the SEC or any other Government Agency.

Pursuant to Section 7 of the Defend Trade Secrets Act of 2016 (which added 18 U.S.C. § 1833(b)), the Company and Executive acknowledge and agree that Executive shall not have criminal or civil liability under any federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition and without limiting the preceding sentence, if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and may use the trade secret information in the court proceeding, if Executive (X) files any document containing the trade secret under seal and (Y) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement or otherwise is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such Section.

5. **RESTRICTIVE COVENANTS.**

In consideration of the compensation, contract term, potential Severance Benefits, continued employment provided by Company, as well as the access Company will provide Executive to its Confidential Information, as defined below, and current and prospective customers, all as necessary for the performance of Executive's duties hereunder, Executive hereby agrees to the following during Executive's employment and thereafter as provided, except that if Executive's employment is

terminated under circumstances qualifying Executive for payments under the Change-in-Control Agreement (as defined below), the applicable restrictive covenants set forth in such Change-in-Control Agreement shall supersede Sections 5.3, 5.4, 5.5 and 5.6 below:

- 5.1 **CONFIDENTIAL INFORMATION DEFINED.** Confidential Information includes but is not limited to: (i) Company and its subsidiary companies' trade secrets, know-how, ideas, applications, systems, processes and other confidential information which is not generally known to and/or readily ascertainable through proper means by the general public; (ii) plans for business development, marketing, business plans and strategies, budgets and financial statements of any kind, costs and suppliers, including methods, policies, procedures, practices, devices and other means used by the Company and its subsidiaries in the operation of its business, pricing plans and strategies, as well as information about the Company and affiliated entity pricing structures and fees, unpublished financial information, contract provisions, training materials, profit margins and bid information; (iii) information regarding the skills, abilities, performance and compensation of other employees of the Company or its subsidiaries, or of the employees of any company that contracts to provide services to the Company or its subsidiaries; (iv) information of third parties to which Executive had access by virtue of Executive's employment, including, but not limited to information on customers, prospective customers, and/or vendors, including current or prospective customers' names, contact information, organizational structure(s), and their representatives responsible for considering the entry or entering into agreements for those services, and/or products provided by the Company and its subsidiaries; customer leads or referrals; customer preferences, needs, and requirements (including customer likes and dislikes, as well as supply and staffing requirements) and the manner in which they have been met by the Company or its subsidiaries; customer billing procedures, credit limits and payment practices,; and customer information with respect to contract and relationship terms and conditions, pricing, costs, profits, sales, markets, plans for future business and other development; purchasing techniques; supplier lists; (v) information contained in the Company's LCMS database, JDE , LMS or similar systems; (vi) any and all information related to past, current or future acquisitions between the Company or Company-affiliated entities including information used or relied upon for said acquisition ("Confidential Information"). Notwithstanding the generality of the foregoing, Confidential Information shall not include: (x) information known to Executive prior to Executive's discussions with the Company regarding Executive's employment with the Company; (y) contact information contained on Executive's rolodex (other than for officers, directors, employees, and/or independent contractors of the Company and Company-affiliated entities); or (z) information that is or becomes generally known in the industry or part of the public domain.
- 5.2 **NON-DISCLOSURE.** The Company and Executive acknowledge and agree that the Company has invested significant effort, time and expense to develop its Confidential Information. Except in the proper performance of this Agreement, Executive agrees to hold all Confidential Information in the strictest confidence, and to refrain from making any unauthorized use or disclosure of such information both during Executive's employment and at all times thereafter. Except in the proper performance of this Agreement, Executive shall not directly or indirectly disclose, reveal, transfer or deliver to any other person or business, any Confidential Information which was obtained directly or indirectly by Executive from, or for, the Company or its subsidiaries or by virtue of Executive's employment. This Confidential Information has unique value to the Company and its subsidiaries, is not generally known or readily available by proper means to their competitors or the general public, and could only be developed by

others after investing significant effort, time, and expense. Executive understands that Company or its subsidiaries would not make such Confidential Information available to Executive unless the Company was assured that all such Confidential Information will be held in trust and confidence in accordance with this Agreement and applicable law. Executive hereby acknowledges and agrees to use this Confidential Information solely for the benefit of the Company and its affiliated entities. In addition, Executive agrees that at all times after the voluntary or involuntary termination of Executive's employment, Executive shall not attempt to seek, seek, attempt to solicit, solicit, or accept work from of any customer or active customer prospect of Company or any other Company-affiliated entity through the direct or indirect use of any Confidential Information or by any other unfair or unlawful business practice.

5.3 **NON-SOLICITATION OF EMPLOYEES.** Executive acknowledges and agrees that the Company has developed its work force as the result of its investment of substantial time, effort, and expense. During the course and solely as a result of Executive's employment with the Company, Executive will come into contact with officers, directors, employees, and/or independent contractors of the Company and Company-affiliated entities, develop relationships with and acquire information regarding their knowledge, skills, abilities, salaries, commissions, benefits, and/or other matters that are not generally known to the public. Executive further acknowledges and agrees that hiring, recruiting, soliciting, or inducing the termination of such individuals will cause increased expenses and a loss of business. Accordingly, Executive agrees that while employed by the Company and for a period of twelve (12) months following the termination of Executive's employment (whether termination is voluntary or involuntary), Executive will not directly or indirectly solicit, hire, recruit or otherwise encourage, assist in or arrange for any officer, director, employee, and/or independent contractor to terminate his/her business relationship with the Company or any other Company-affiliated entity except in the proper performance of this Agreement. This prohibition against solicitation shall include but not be limited to: (i) identifying to other companies or their agents, recruiting or staffing firms, or other third parties the Company officers, directors, employees, or independent contractors who have specialized knowledge concerning the Company's business, operations, processes, methods, or other confidential affairs or who have contacts, experience, or relationships with particular customers; (ii) disclosing or commenting to other companies or their agents, recruiting or staffing firms, or other third parties regarding the quality or quantity of work, specialized knowledge, or personal characteristics of any person still engaged by Company or any other Company-affiliated entity; and (iii) providing such information to prospective companies or their agents, recruiting or staffing firms, or other third parties preceding possible engagement; provided, nothing in this Section 5.3 shall prevent Executive from serving as a reference in response to a bona fide inquiry regarding an employee or former employee of the Company.

5.4 **NON-SOLICITATION OF CUSTOMERS.** Executive acknowledges and agrees that the Company and its subsidiaries have identified, solicited, and developed their customers and developed customer relationships as the result of their investment of significant time, effort, and expense and that the Company has a legitimate business interest in protecting these relationships. Executive further acknowledges that Executive would not have been privy to these relationships were it not for Executive's employment by the Company. Executive further acknowledges and agrees that the loss of such customers and clients would damage the Company and potentially cause the Company great and irreparable harm. Consequently, Executive covenants and agrees that during and for twelve (12) months following the

termination of Executive's employment with the Company (whether such termination is voluntary or involuntary), Executive shall not, directly or indirectly, for the benefit of any person or entity other than the Company, attempt to seek, seek, attempt to solicit, solicit, or accept work from any customer, client or active customer prospect: (i) with whom Executive developed a relationship while employed by Company or otherwise obtained Confidential Information about for the purpose of diverting business from Company or an affiliated entity; and (ii) that is located in a state or foreign country in which: (a) the Executive performed work, services, or engaged in business activity on behalf of the Company within the twelve (12) month period preceding the effective date of Executive's termination of employment; and/or (b) where the Company has business operations and Executive was provided Confidential Information regarding the Company's business activities in those territories within the twelve (12) month period preceding the effective date of Executive's termination of employment.

- 5.5 **POST EMPLOYMENT COMPETITION.** Executive agrees that, while employed by the Company and for a period of twelve (12) months following Executive's termination of employment (whether such termination is voluntary or involuntary), Executive shall not work, perform services for, or engage in any business, enterprise, or operation that engages in a Competing Business (as defined below) in a Restricted Territory (as defined below). For purposes of this Agreement, "Competing Business" means the provision of any goods, products, or services that are the same or substantially similar to those provided by the Company, or any Company-affiliated entity of which Executive had Confidential Information, in the twelve (12) month period preceding the effective date of Executive's termination of employment. Executive acknowledges that the Company and its subsidiaries are engaged in business in various states throughout the U.S. and various international locations. Accordingly, and in view of the nature of Executive's nationwide position and responsibilities, "Restricted Territory" as used herein means each state and each foreign country: (i) in which Executive performed work, services, or engaged in business activity on behalf of the Company within the twelve (12) month period preceding the effective date of Executive's termination of employment; and/or (ii) where the Company has business operations and Executive was provided Confidential Information regarding the Company's business activities in those territories within the twelve (12) month period preceding the effective date of Executive's termination of employment. The restrictions in Section 5.5 shall only apply if, within the twelve (12) month period prior to the effective date of Executive's termination, Executive was employed by the Company to perform sales, marketing, and/or operational activities, or was directly involved in corporate development and strategy (i.e., mergers, acquisitions, divestitures and/or other corporate strategic initiatives) for the Company or its subsidiaries/affiliates.
- 5.6 **NON-DISPARAGEMENT.** Following the termination of Executive's employment for any reason, Executive agrees not to make any statement or take any action which disparages, defames, or places in a negative light the Company, Company-affiliated entities, or its or their reputation, goodwill, commercial interests or past and present officers, directors, employees, consultants, and/or agents, and the Company shall instruct its directors and executive officers to not make any statement or take any action which disparages, defames, or places in a negative light Executive.
- 5.7 **CREATIONS.** The terms and conditions set forth in Appendix A attached hereto are hereby incorporated by reference as though fully set forth herein.

- 5.8 **CONFIDENTIAL INFORMATION OF OTHERS; NO CONFLICTS.** Executive will not use, disclose to the Company or induce the Company to use any legally protected confidential, proprietary or trade secret information or material belonging to others which comes into Executive's knowledge or possession at any time, nor will Executive use any such legally protected information or material in the course of Executive's employment with the Company. Executive has no other agreements or relationships with or commitments to any other person or entity that conflicts with Executive's obligations to the Company as an employee of the Company or under this Agreement, and Executive represents that Executive's employment will not require Executive to violate any legal obligations to any third-party. In the event Executive believes that Executive's work at the Company would make it difficult for Executive not to disclose to the Company any legally protected confidential, proprietary or trade secret information or materials belonging to others, Executive will immediately inform the Company's Senior Vice President of Human Resources. Executive has not entered into, and Executive agrees Executive will not enter into, any oral or written agreement in conflict with this Agreement.
- 5.9 **COOPERATION WITH LEGAL MATTERS.** During Executive's employment with Company and thereafter, Executive shall reasonably cooperate with Company and any Company-affiliated entity in its or their investigation, defense or prosecution of any potential, current or future legal matter in any forum, including but not limited to lawsuits, administrative charges, audits, arbitrations, and internal and external investigations. Executive's cooperation shall include, but is not limited to, reviewing and preparing documents and reports, meeting with attorneys representing any Company-affiliated entity, providing truthful testimony, and communicating Executive's knowledge of relevant facts to any attorneys, experts, consultants, investigators, employees or other representatives working on behalf of an Company-affiliated entity. Except as required by law, Executive agrees to treat all information regarding any such actual or potential investigation or claim as confidential. Executive also agrees not to discuss or assist in any litigation, potential litigation, claims, or potential claim with any individual (or their attorney or investigator) who is pursuing, or considering pursuing, any claims against the Company or a Company-affiliated entity unless required by law. In performing the tasks outlined in this Section 5.9, Executive shall be bound by the covenants of good faith and veracity set forth in ABM's Code of Business Conduct and Ethics and by all legal obligations. Nothing herein is intended to prevent Executive from complying in good faith with any subpoena or other affirmative legal obligation. Executive agrees to notify the Company immediately in the event there is a request for information or inquiry pertaining to the Company, any Company-affiliated entity, or Executive's knowledge of or employment with the Company. In performing responsibilities under this Section following termination of employment for any reason, Executive shall be compensated for Executive's time at an hourly rate of \$250 per hour. However, during any period in which Executive is an employee of the Company, Executive shall not be so compensated.
- 5.10 **REMEDIES AND DAMAGES.** The parties agree that compliance with Sections 5.1 - 5.7 of the Agreement and Appendix A is necessary to protect the business, reputation and goodwill of the Company and, in the case of Section 5.5 of the Agreement, the reputation and goodwill of Executive, that the restrictions contained herein are reasonable, and that any breach of Section 5 may result in irreparable and continuing harm to the Company or to Executive, for which monetary damages will not provide adequate relief. Accordingly, in the event of any actual or threatened breach of any covenant or promise made by either party in Section 5,

Company and Executive agree that both parties shall be entitled to all appropriate remedies, including temporary restraining orders and injunctions enjoining or restraining such actual or threatened breach. Each of the Company and Executive hereby consents to the issuance thereof forthwith by any court of competent jurisdiction.

5.11 **LIMITATIONS.** Nothing in this Agreement shall be binding upon the parties to the extent it is void or unenforceable for any reason in the State of New York, including, without limitation, as a result of any law regulating competition or proscribing unlawful business practices; provided, however, that to the extent that any provision in this Agreement could be modified to render it enforceable under applicable law, it shall be deemed so modified and enforced to the fullest extent allowed by law.

6. **AT-WILL EMPLOYMENT.** The employment of Executive shall be “at-will” at all times. The Company or Executive may terminate Executive’s employment with the Company at any time, without any advance notice, for any reason or no reason at all, notwithstanding anything to the contrary contained in or arising from any statements, policies or practices of the Company relating to the employment, discipline or termination of its employees. Following the termination of Executive’s employment for any reason, the Company shall pay to Executive all compensation to which Executive is entitled up through the date of termination, including accrued but unpaid Base Salary, any accrued and unused paid time off and any incurred but unpaid reimbursements (together “Accrued Obligations”). Thereafter, all obligations of the Company under this Agreement shall cease other than those set forth in Section 7.

7. **TERMINATION OF EMPLOYMENT.**

7.1 **TERMINATION BY COMPANY FOR CAUSE.** Where the Company terminates Executive’s employment for Cause, all obligations of the Company under this Agreement shall cease; provided the Company shall pay Executive the Accrued Obligations within thirty (30) days of the termination of Executive’s employment. For purposes of this Agreement, “Cause” shall mean the occurrence of one of the following: (i) Executive’s willful misconduct, dishonesty, or insubordination; (ii) Executive’s conviction (or entry of a plea bargain admitting criminal guilt) of any felony or a misdemeanor involving moral turpitude; (iii) drug or alcohol abuse that has a material effect on the performance of Executive’s duties and responsibilities under this Agreement; (iv) Executive’s willful and repeated failure to substantially perform Executive’s duties and responsibilities under this Agreement for reasons other than death or Disability, as defined below; (v) Executive’s willful and repeated inattention to duty for reasons other than death or Disability; (vi) Executive’s material and willful violation of the Company’s Code of Business Conduct; and (vii) any other material and willful breach of this Agreement by Executive. No Cause shall exist until the Company has given Executive written notice describing the circumstances giving rise to Cause in reasonable detail and, to the extent such circumstances are susceptible to remedy, Executive has failed to remedy such circumstances within fifteen (15) days of receiving such notice.

7.2 **TERMINATION BY THE COMPANY WITHOUT CAUSE OR TERMINATION BY THE EXECUTIVE FOR GOOD REASON.** Where the Company terminates Executive’s employment without Cause, or Executive terminates Executive’s employment for Good Reason (as defined below), Executive shall be entitled to: (i) a payment equal in the aggregate to 2.5 times the sum of (A) Executive’s Base Salary and (B) Executive’s Target Cash Bonus, which payment shall be paid in equal installments (no less frequently than monthly) over the

30-month period following Executive's separation from service, provided that any amounts otherwise payable prior to the effective date of the release referenced below shall be paid in a lump sum within 7 days following the effective date of such release; (ii) eighteen (18) months' medical benefits coverage, which may be provided through COBRA reimbursement; (iii) Executive's prorated Cash Bonus for the year of termination based on the Committee's determination of actual performance following the end of the performance period; and (iv) any earned but unpaid Cash Bonus in respect of any completed fiscal year that has ended prior to the date of such termination (the amounts set forth in clauses (i) through (iv) collectively, the "Severance Benefits"); provided that Executive's eligibility to receive the Severance Benefits is conditioned on: (A) Executive having first signed a release agreement in the form provided by the Company and reasonably acceptable to Executive, but containing no further post-employment restrictions or covenants other than those to which Executive is already subject hereunder, and the release becoming irrevocable by its terms within sixty (60) calendar days following the date of Executive's termination of employment; and (B) Executive's continued compliance with all continuing obligations under this Agreement, including but not limited to those set forth in Section 5. Executive shall not have any other rights or claims under this Agreement. For purposes of this Agreement, "Good Reason" shall mean the occurrence of one or more of the following events without Executive's prior written consent: (w) a material reduction in the Executive's Base Salary, (x) a material reduction in the Target Cash Bonus, (y) the Executive is no longer the most senior executive of the Company and/or reporting directly to the Board, or (z) the Company requires the Executive to change Executive's principal location of work by more than 50 miles. No Good Reason shall exist unless Executive has provided notice of such circumstances giving rise to Good Reason in reasonable detail to the Company within 30 days following the occurrence of such circumstances and, to the extent such circumstances are susceptible to remedy, the Company has failed to remedy such circumstances within thirty (30) days of receiving such notice, and Executive shall have resigned within 30 days following expiration of such cure period. For the avoidance of doubt, in the event Executive becomes entitled to receive Severance Benefits, any such Severance Benefits that remain unpaid upon Executive's death shall be paid to Executive's estate.

- 7.3 VOLUNTARY TERMINATION BY EXECUTIVE. Executive may give written notice of Executive's resignation of employment at any time during this Agreement pursuant to Section 6, and thereafter, all obligations of the Company under this Agreement shall cease; provided the Company shall pay Executive the Accrued Obligations within thirty (30) days of the termination of Executive's employment or earlier as required by law. Executive is requested to provide sixty (60) days' written notice of Executive's resignation or as much time as reasonable under the circumstances. Company reserves the right to relieve Executive of Executive's duties at the Company's discretion following notice of Executive's intent to resign.
- 7.4 RETIREMENT. With respect to equity-based awards granted following the Effective Date, in the event that Executive retires voluntarily from ABM following reaching age 60 with a minimum of 10 years of service, Executive's then-outstanding equity-based awards under the Equity Plan (including any awards issued by an acquirer or successor to ABM in exchange or substitution for such awards) that were granted at least one year prior to such retirement will not be forfeited but will continue to be eligible for vesting, exercise and settlement, as applicable, on the originally scheduled vesting dates (and, for the avoidance of doubt with respect to performance-based awards, to the extent the applicable performance criteria

originally set forth in such awards are met), subject to Executive's continued compliance with the covenants set forth in Section 5 hereof.

- 7.5 **DEATH OR DISABILITY.** Executive's employment hereunder shall automatically terminate upon the death of Executive and may be terminated at the Company's discretion as a result of Executive's Disability. "Disability" means Executive's substantial inability to perform Executive's essential duties and responsibilities under this Agreement for either 90 consecutive days or a total of 120 days out of 365 consecutive days as a result of a physical or mental illness, injury or impairment, all as determined in good faith by the Company. If Executive's employment is terminated by the Company due to Executive's death or Disability, then (i) Executive, or, upon death, to Executive's designated beneficiary or estate, as applicable, shall be eligible to receive (A) any earned but unpaid Cash Bonus in respect of any completed fiscal year that has ended prior to the date of such termination and (B) a prorated Target Cash Bonus based on the length of performance in the applicable performance period prior to death or Disability and (ii) Executive's then-outstanding equity-based awards under the Equity Plan (including any awards issued by an acquirer or successor to ABM in exchange or substitution for such awards) (x) that are subject to time-based vesting will not be forfeited but will become immediately fully vested and (y) that are subject to performance-based vesting for then-ongoing performance periods shall immediately become fully vested with respect to the number of shares that would have become earned and vested if the target level of performance was met. In the case of Disability, Executive's eligibility to receive the foregoing is conditioned on: (i) Executive having first signed a release agreement in the form provided by the Company and reasonably acceptable to Executive, but containing no further post-employment restrictions or covenants other than those to which Executive is already subject hereunder, and the release becoming irrevocable by its terms within sixty (60) calendar days following the date of Executive's termination of employment; and (ii) Executive's continued compliance with all continuing obligations under this Agreement, including but not limited to those set forth in Section 5. Thereafter, Executive and Executive's designated beneficiary or estate, as applicable, shall not have any other rights or claims under this Agreement.
- 7.6 **TIMING OF PAYMENTS.** For the avoidance of doubt and without limiting the generality of Section 10.7, the parties intend that, except as expressly provided otherwise, any payments that become payable to Executive pursuant to Section 7.2 are intended to be exempt from, or compliant with, Section 409A of the Internal Revenue Code ("Section 409A"), and except as expressly provided otherwise shall be paid within the short-term deferral period within the meaning of Treasury Regulation section 1.409A-1(b)(4) to the extent required to be paid no later than March 15th of the calendar year following the calendar year in which Executive incurs a separation from service or shall be deemed to be paid under a "separation pay plan" within the meaning of Section 409A to the extent applicable. Any Cash Bonus or prorated Cash Bonus that becomes payable to Executive pursuant to Section 7.2(iii) shall be paid to Executive following the end of the applicable performance period when such payments are made to other participants and in accordance with the terms of the applicable plan or program, provided that in no event shall any such payment be made to Executive later than March 15th of the calendar year following the end of the performance year.
- 7.7 **PAYMENTS AND BENEFITS WITH RESPECT TO A CHANGE IN CONTROL.** Notwithstanding anything to the contrary in this Agreement or otherwise, if Executive's employment is terminated under circumstances qualifying Executive for payments under the Change-in-Control Agreement between Executive and ABM (or any successor or amendment

to such agreement, as applicable, the “Change-in-Control Agreement”), Executive shall not be entitled to the Severance Benefits under this Agreement and, alternatively, Executive’s entitlement to payments and benefits, if any, shall be governed by the terms of such Change-in-Control Agreement.

- 7.8 **EXCESS PARACHUTE PAYMENTS.** Notwithstanding any provision of this Agreement or any other agreement or plan to the contrary (including without limitation any lesser protection of Executive under any equity-based award agreement), if any amount or benefit to be paid or provided under this Agreement or any other agreement or plan would be an “excess parachute payment” under Section 280G of the Code (an “Excess Parachute Payment”) (including after taking into account the value, to the maximum extent permitted by Section 280G of the Code, of the covenants herein), but for the application of this sentence, then the payments and benefits to be paid or provided under this Agreement and any other agreements and plans will be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; provided, however, that the foregoing reduction will not be made if such reduction would result in Executive receiving an amount determined on an after-tax basis, taking into account the excise tax imposed pursuant to Section 4999 of the Code, or any successor provision thereto, any tax imposed by any comparable provision of state law and any applicable federal, state and local income and employment taxes (the “After-Tax Amount”) that is less than 90% of the After-Tax Amount of the payments and benefits that he would have received without regard to this clause. Whether requested by the Executive or the Company, the determination of whether any reduction in such payments or benefits to be provided under this Agreement or otherwise is required pursuant to the preceding sentence, and the value to be assigned to the Executive’s covenants herein for purposes of determining the amount, if any, of the Excess Parachute Payment will be made at the expense of the Company by the Company’s independent accountants or benefits consultant. The fact that the Executive’s right to payments or benefits may be reduced by reason of the limitations contained in this Section will not of itself limit or otherwise affect any other rights of the Executive pursuant to this Agreement or any other agreement or plan. In the event that any payment or benefit intended to be provided is required to be reduced pursuant to this Section, then the Company shall in good faith determine the appropriate treatment of payments or benefits, consistent with the requirements of Section 409A that produces the most advantageous economic outcome for the Executive, and its determination shall be final and binding on the Executive. The Company will provide the Executive with all information reasonably required or requested by the Executive to demonstrate to the Executive that it has complied with the immediately preceding sentence.
- 7.9 **ACTIONS UPON TERMINATION.** Upon termination of Executive’s employment for any reason, Executive shall be deemed to have immediately resigned as an officer and/or director of the Company and of any Company subsidiaries or affiliates, including any LLCs or joint ventures, as applicable. Further, if during employment Executive held any membership or position as a representative of the Company for any outside organization (such as BOMA, IREM, IFMA or BSCIA), or as a trustee for a union trust fund (such as a Taft-Hartley or similar fund), upon termination of Executive’s employment for any reason, Executive shall be deemed to have resigned from such membership or position, or trustee position, and shall cooperate fully with the Company in any process whereby the Company designates a new representative to replace the position vacated by Executive. Executive also agrees that all property (including without limitation all equipment, tangible proprietary information,

documents, records, notes, contracts and computer-generated materials) furnished to or created or prepared by Executive incident to Executive's employment with the Company belongs to the Company and shall be promptly returned to the Company upon termination of Executive's employment.

7.10 **WITHHOLDING AUTHORIZATION.** To the fullest extent permitted under the laws of the State of Employment hereunder, Executive authorizes Company to withhold from any Severance Benefits otherwise due to Executive and from any other funds held for Executive's benefit by Company, any undisputed damages or losses sustained by Company as a result of any material breach or other material violation of this Agreement by Executive, pending resolution of any underlying dispute.

8. NOTICES.

8.1 **ADDRESSES.** Any notice required or permitted to be given pursuant to this Agreement shall be in writing and delivered in person, or sent prepaid by certified mail, overnight express, or electronically to the party named at the address set forth below or at such other address as either party may hereafter designate in writing to the other party:

Executive: Address on File

Company: ABM Industries Incorporated
1 Liberty Plaza, New York, NY 10006

Copy: ABM Industries Incorporated
1 Liberty Plaza, New York, NY 10006
Attention: Senior Vice President of Human Resources

8.2 **RECEIPT.** Any such notice shall be assumed to have been received when delivered in person or 48 hours after being sent in the manner specified above.

9. INDEMNIFICATION. The Company shall indemnify, defend, and hold Executive harmless to the fullest extent provided under the Company's Articles of Incorporation, Bylaws, or any other operating document. In addition, the Executive shall be included under the Company's Directors and Officers Liability Insurance Policy. For the avoidance of doubt, this Section 9 shall survive the termination of this Agreement.

10. GENERAL PROVISIONS.

10.1 **GOVERNING LAW.** This Agreement shall be interpreted and enforced in accordance with the laws of the State of Employment, which, for purposes of this Agreement, shall mean the state of New York.

10.2 **NO WAIVER.** Failure by either party to enforce any term or condition of this Agreement at any time shall not preclude that party from enforcing that provision, or any other provision of this Agreement, at any later time.

10.3 **SEVERABILITY.** It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permissible under the law and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of

this Agreement would be held in any jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be either automatically deemed so narrowly drawn, or any court of competent jurisdiction is hereby expressly authorized to redraw it in that manner, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

- 10.4 SURVIVAL. All terms and conditions of this Agreement which by reasonable implication are meant to survive the termination of this Agreement, including but not limited to the provisions of Sections 5.1 - 5.9 of this Agreement, shall remain in full force and effect after the termination of this Agreement.
- 10.5 SUCCESSORS. This Agreement is binding upon and shall inure to the benefit of the parties' respective successors, assigns, administrators and legal representatives and Executive's heirs and executors.
- 10.6 REPRESENTATIONS BY EXECUTIVE. Executive represents and agrees that Executive has carefully read and fully understands all of the provisions of this Agreement, that Executive is voluntarily entering into this Agreement and has been given an opportunity to review all aspects of this Agreement with an attorney, if Executive chooses to do so. Executive understands and agrees that Executive's employment with the Company is at-will and that nothing in this Agreement is intended to create a contract of employment for any fixed or definite term. Executive understands Executive is also now eligible for Severance Benefits to which Executive was not previously entitled and acknowledges the value of such benefits. Executive also represents that Executive will not make any unauthorized use of any confidential or proprietary information of any third party in the performance of Executive's duties under this Agreement and that Executive is under no obligation to any prior employer or other entity that would preclude or interfere with the full and good faith performance of Executive's obligations hereunder.
- 10.7 SECTION 409A. Without limiting the generality of Section 7.6, the parties intend for the payments and benefits under this Agreement to be exempt from Section 409A or, if not so exempt, to be paid or provided in a manner which complies with the requirements of such section, and intend that this Agreement shall be construed and administered in accordance with such intention. If any payments or benefits due to Executive hereunder would cause the application of an accelerated or additional tax under Section 409A, such payments or benefits shall be restructured in a mutually agreed upon manner that to the extent possible preserves the economic benefit and original intent thereof but does not cause such an accelerated or additional tax. For purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six (6) month period immediately following Executive's separation from service shall instead be paid on the first business day after the date that is six (6) months following Executive's termination

date (or death, if earlier). In the event that any payment under this Agreement may be made in two calendar years, depending on the timing of execution of a release, such payment shall be made in the later calendar year, to the extent required by Section 409A. Notwithstanding anything to the contrary in this Agreement, all (A) reimbursements and (B) in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (x) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (y) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (z) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

- 10.8 COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed as an original, but all of which together shall constitute one and the same instrument binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the same counterpart. This Agreement may be executed either by original, facsimile, or electronic copy, each of which will be equally binding.
- 10.9 ENTIRE AGREEMENT. Unless otherwise specified herein, this Agreement, together with Appendix A, sets forth every contract, understanding and arrangement as to the employment relationship between Executive and the Company (other than the Change in Control Agreement and any equity award agreement under the Equity Plan; *provided* that in the event that this Agreement conflicts with the terms of any equity award agreement, this Agreement shall govern unless otherwise expressly stated in such equity award agreement).
- 10.9.a NO EXTERNAL EVIDENCE. The parties intend that this Agreement speak for itself, and that no evidence with respect to its terms and conditions other than this Agreement itself may be introduced in any arbitration or judicial proceeding to interpret or enforce this Agreement.
- 10.9.b AMENDMENTS. This Agreement may not be amended except in a writing signed by the Executive and an authorized representative of the Company.

IN WITNESS WHEREOF, Executive and Company have executed this Agreement as of the date set forth above.

Executive: Scott Salmirs

Signature: /s/ Scott Salmirs

Date: September 21, 2017

Company: ABM Industries Incorporated

Signature: /s/ Thomas M. Gartland

Name, Title: Thomas M. Gartland, Chairman Compensation Committee

Date: September 22, 2017

APPENDIX A

- A. **ASSIGNMENT.** Executive hereby assigns, and agrees to assign, to the Company, without additional compensation, Executive's entire right, title and interest in and to (a) all Creations, and (b) all benefits, privileges, causes of action and remedies relating to the Creations, whether before or hereafter accrued (including, without limitation, the exclusive rights to apply for and maintain all such registrations, renewals and/or extensions; to sue for all past, present or future infringements or other violations of any rights in the Creation; and to settle and retain proceeds from any such actions). As used herein, the term Creations includes, but is not limited to, creations, inventions, works of authorship, ideas, processes, technology, formulas, software programs, writings, designs, discoveries, modifications and improvements, whether or not patentable or reduced to practice and whether or not copyrightable, that relate in any manner to the actual or demonstrably anticipated business or research and development of the Company or its affiliates, and that are made, conceived or developed by Executive (either alone or jointly with others), or result from or are suggested by any work performed by Executive (either alone or jointly with others) for or on behalf of the Company or its affiliates: (i) during the period of Executive's employment with the Company, whether or not made, conceived or developed during regular business hours; or (ii) after termination of Executive's employment if based on Confidential Information. Executive agrees that all such Creations are the sole property of the Company or any other entity designated by it, and, to the maximum extent permitted by applicable law, any copyrightable Creation will be deemed a work made for hire. If the State of Employment is California, Executive UNDERSTANDS THAT THIS PARAGRAPH DOES NOT APPLY TO ANY CREATION WHICH QUALIFIES FULLY UNDER THE PROVISIONS OF SECTION 2870 OF THE LABOR CODE OF THE STATE OF CALIFORNIA, A COPY OF WHICH IS ATTACHED BELOW. Executive understands that nothing in this Agreement is intended to expand the scope of protection provided to Executive by Sections 2870 through 2872 of the California Labor Code.
- B. **DISCLOSURE.** Executive agrees to disclose promptly and fully to Executive's immediate supervisor at the Company, and to hold in confidence for the sole right, benefit and use of Company, any and all Creations made, conceived or developed by Executive (either alone or jointly with others) during Executive's employment with the Company, or within one (1) year after the termination of Executive's employment if based on Confidential Information. Such disclosure will be received and held in confidence by the Company. In addition, Executive agrees to keep and maintain adequate and current written records on the development of all Creations made, conceived or developed by Executive (either alone or jointly with others) during Executive's period of employment or during the one-year period following termination of Executive's employment, which records will be available to and remain the sole property of the Company at all times.
- C. **ASSIST WITH REGISTRATION.** Executive agrees that Executive will, at the Company's request, promptly execute a written assignment of title for any Creation required to be assigned by Section B. Executive further agrees to perform, during and after Executive's employment, all acts deemed necessary or desirable by the Company to assist it (at its expense) in obtaining and enforcing the full benefits, enjoyment, rights and title throughout the world in the Creation assigned to the Company pursuant to Section B. Such acts may include, but are not limited to, execution of documents and assistance or cooperation in legal proceedings. Should the Company be unable to secure Executive's signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any

Creation, whether due to Executive's mental or physical incapacity or any other cause, Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as Executive's agent and attorney-in-fact, to undertake such acts in Executive's name as if executed and delivered by Executive, and Executive waives and quitclaims to the Company any and all claims of any nature whatsoever that Executive may not have or may later have for infringement of any intellectual property rights in the Creations. The Company will compensate Executive at a reasonable rate for time actually spent by Executive at the Company's request on such assistance at any time following termination of Executive's employment with the Company.

CALIFORNIA LABOR CODE
SECTION 2870-2872

2870. (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

1. Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
2. Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

2871. No employer shall require a provision made void and unenforceable by Section 2870 as a condition of employment or continued employment. Nothing in this article shall be construed to forbid or restrict the right of an employer to provide in contracts of employment for disclosure, provided that any such disclosures be received in confidence, of all of the employee's inventions made solely or jointly with others during the term of his or her employment, a review process by the employer to determine such issues as may arise, and for full title to certain patents and inventions to be in the United States, as required by contracts between the employer and the United States or any of its agencies.

2872. If an employment agreement entered into after January 1, 1980, contains a provision requiring the employee to assign or offer to assign any of his or her rights in any invention to his or her employer, the employer must also, at the time the agreement is made provide a written notification to the employee that the agreement does not apply to an invention which qualifies fully under the provisions of Section 2870. In any suit or action arising thereunder, the burden of proof shall be on the employee claiming the benefits of its provisions.

AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT

This Amended and Restated Change in Control Agreement (this “Agreement”), effective as of November 1, 2017, is made between ABM Industries Incorporated, a Delaware corporation (the “Company”) and the individual executing this Agreement as the Executive on the signature page (the “Executive”). This Agreement amends and restates the Change in Control Agreement dated effective as of March 31, 2015 and supersedes any other prior Change in Control Agreement between Executive and the Company.

RECITALS

A. The Executive is a senior executive of the Company and has made and is expected to continue to make major contributions to the short- and long-term profitability, growth and financial strength of the Company;

B. The Company recognizes that the possibility of a Change in Control, as hereinafter defined, exists and that such possibility, and the uncertainty it may create among management, may result in the distraction or departure of management personnel, to the detriment of the Company and its stockholders, including a reduction of the value received by stockholders in a Change in Control transaction;

C. The Company desires to assure itself of both present and future continuity of management and to establish fixed severance benefits for certain of its senior executives, including the Executive, applicable in the event of a Change in Control; and

D. The Company desires to provide additional inducement for the Executive to continue to remain in the employ of the Company. Accordingly, the Company and the Executive agree as follows:

1. Certain Defined Terms. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) “After-Tax Amount” means the amount to be received by an Executive determined on an after-tax basis taking into account the excise tax imposed pursuant to Section 4999 of the Code, any tax imposed by any comparable provision of state law and any applicable federal, state and local income and employment taxes.

(b) “Base Pay” means the Executive’s annual base salary rate as in effect at the time a determination is required to be made under Section 4.

(c) “Board” means the Board of Directors of the Company; any action of the Board herein contemplated will be valid if adopted by a majority of the total number of directors then in office or a majority of the Incumbent Directors and, for purposes of interpreting, amending or waiving any portion of this Agreement, may be adopted by a majority of the Incumbent Directors by written action, whether or not unanimous, or may be delegated by specific action of the Board of Directors after the date hereof to any directorate committee comprised solely of Incumbent Directors who are also Independent Directors.

(d) “Cause” shall mean, with respect to the Executive: (i) the willful and continued failure to substantially perform the Executive’s duties and responsibilities for reasons other than death or disability, after a written demand for substantial performance is delivered to him/her by the Company which specifically identifies the manner in which the Company believes that the Executive has not substantially performed the Executive’s duties; (ii) the Executive’s conviction (or entry of a plea bargain admitting criminal guilt) of any felony or a misdemeanor involving moral turpitude; (iii) intentional breach by the Executive of his/her fiduciary obligations to the Company or any securities laws applicable to the Company for which Executive has direct responsibility and of which he was not acting under instructions of the Board or under the belief, based on advice of Company counsel, that his conduct was appropriate; or (iv) intentional wrongful engagement by the Executive in any Competitive Activity; and, for purposes of this subsection (iv), any such act shall have been demonstrably and materially harmful to the Company. For purposes of this Agreement, no act or failure to act on the part of the Executive will be deemed “intentional” if it was due primarily to an error in judgment or negligence, but will be deemed “intentional” only if done or omitted to be done by the Executive not in good faith and without reasonable belief that the Executive’s action or omission was in the best interest of the Company. No Cause shall exist until the Company has given Executive written notice describing the circumstances giving rise to Cause in reasonable detail and, to the extent such circumstances are susceptible to remedy, Executive has failed to remedy such circumstances within fifteen (15) days of receiving such notice.

(e) “Change in Control” means that any of the following events occurs; *provided* that the occurrence of such event constitutes a “change in effective ownership or control” of the Company, as defined in Section 409A:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) (A) is or becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 35% of the combined voting power of the then-outstanding Voting Stock of the Company or succeeds in having nominees as directors elected in an “election contest” within the meaning of Rule 14a-12(c) under the Exchange Act and (B) within 18 months after either such event, individuals who were members of the Board immediately prior to either such event cease to constitute a majority of the members of the Board; or

(ii) a majority of the Board ceases to be comprised of Incumbent Directors; or

(iii) the consummation of a reorganization, merger, consolidation, plan of liquidation or dissolution, recapitalization or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of the stock or assets of another corporation, or other transaction (each, a “Business Transaction”), unless, in any such case, (A) no Person (other than the Company, any entity resulting from such Business Transaction or any employee benefit plan (or related trust) sponsored or maintained by the Company, any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, 35% or more of the combined voting power of the then-outstanding shares of Voting Stock of the entity resulting from such Business Transaction (or, if it is such resulting entity, the Company) and (B) at least one-half of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement providing for such Business Transaction.

(f) “Code” means the Internal Revenue Code of 1986, as amended.

(g) “Competitive Activity” means the Executive’s participation, without the written consent signed by an officer of the Company and authorized by the Board, in the management of any business

enterprise if (i) such enterprise engages in substantial and direct competition with the Company and such enterprise's sales of any product or service competitive with any product or service of the Company amounted to 10% of such enterprise's net sales for its most recently completed fiscal year and if the Company's net sales of said product or service amounted to 10% of the Company's net sales for its most recently completed fiscal year or (ii) the primary business done or intended to be done by such enterprise is in direct competition with the business of providing facility services in any geographic market in which the Company operates. "Competitive Activity" will not include the mere ownership of securities in any such enterprise and the exercise of rights appurtenant thereto, if such ownership is less than 5% of the outstanding voting securities or units of such enterprise.

(h) "Employee Benefits" means the benefits and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs or arrangements in which the Executive is entitled to participate, including without limitation any stock option, performance share, performance unit, stock purchase, stock appreciation, savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, deferred compensation, incentive compensation, group or other life, health, medical/hospital or other insurance (whether funded by actual insurance or self-insured by the Company or a Subsidiary), disability, salary continuation, expense reimbursement and other employee benefit policies, plans, programs or arrangements that may now exist or any equivalent successor policies, plans, programs or arrangements that may be adopted hereafter by the Company or a Subsidiary, providing benefits and service credit for benefits at least as great in the aggregate as are payable thereunder immediately prior to a Change in Control.

(i) "ERISA" means the Employee Retirement Income Security Act of 1976, as amended

(j) "Excess Parachute Payment" means a payment that creates an obligation for Executive to pay excise taxes under Section 280G of the Code.

(k) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(l) "Good Reason" means the occurrence of one or more of the following events, without the Executive's prior written consent:

(i) Failure to elect or reelect or otherwise to maintain the Executive in the office or the position he had with the Company immediately prior to a Change in Control, or a substantially equivalent or better office or position than that which he had with the Company immediately prior to the Change in Control, in either such case with the Company, any legal successor to the Company or, if the Company merges with or into another entity with substantial operations, with respect to the business of the Company and its Subsidiaries substantially as conducted immediately prior to the Change in Control;

(ii) Failure of the Company to remedy any of the following within 30 calendar days after receipt by the Company of written notice thereof from the Executive: (A) a significant adverse change in the nature or scope of the authorities, powers or functions attached to the position with the Company which the Executive held immediately prior to the Change in Control; *provided* that the failure of Executive to be the chief executive officer of a public company shall be considered "Good Reason"; (B) a material reduction in the Executive's Base Pay, (C) a material reduction in the Executive's Incentive Pay Opportunity or Incentive Pay Target, or (D) the termination or denial of the Executive's rights to material Employee Benefits or a material reduction in the scope or value thereof, unless such termination or reduction referred to in clauses (B), (C) or (D) applies on a substantially similar basis to all executives of the Company and its parent entities or such right is replaced with a right with a substantially similar scope or value;

(iii) The Company requires the Executive to change Executive's principal location of work by more than 35 miles;

(iv) In the event of the transfer of all or substantially all of the Company's business and/or assets, the failure of the successor or successors to which all or substantially all of its business and/or assets have been transferred to assume (by operation of law, agreement or otherwise) pursuant to Section 12 hereof all duties and obligations of the Company under this Agreement; or

(v) Without limiting the generality or effect of the foregoing, any material breach of this Agreement or any Other Employment Agreement (as defined below) by the Company or any successor thereto which is not remedied by the Company within 10 calendar days after receipt by the Company of written notice from the Executive of such breach.

A termination of employment by the Executive for one of the reasons set forth in clauses (i) - (iv) above, will not constitute "Good Reason" unless, within the 60-day period immediately following the occurrence of such Good Reason event, the Executive has given written notice to the Company specifying in reasonable detail the event or events relied upon for such termination and the Company has not remedied such event or events within 30 days of the receipt of such notice, and the Executive terminates employment within the 90-day period thereafter (and, in any event, during the Severance Period). The Company and the Executive may mutually waive in writing any of the foregoing provisions with respect to an event or events that otherwise would constitute Good Reason.

(m) "Incumbent Directors" means the individuals who, as of the date hereof, are Directors of the Company and any individual becoming a Director subsequent to the date hereof whose election, nomination for election by the Company's shareholders or appointment was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination); *provided, however*, that an individual shall not be an Incumbent Director if such individual's election or appointment to the Board occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(n) "Incentive Pay" means compensation in addition to Base Pay determined by reference to one or more performance measures, whether payable in cash, securities or otherwise.

(o) "Incentive Pay Opportunity" means the maximum amount of Incentive Pay that the Executive would receive pursuant to any Incentive Pay Plan in existence immediately prior to a Change in Control (disregarding the effects of the Change in Control, including without limitation increased depreciation or amortization, financing expense and transaction costs), assuming satisfaction of all thresholds or other conditions thereto established (i) prior to the Change in Control or (ii) after the Change in Control either (A) with the Executive's specific prior written approval or (B) by action of a committee of the Board comprised solely of Independent Directors.

(p) "Incentive Pay Plan" means any plan, program, agreement or arrangement (excluding employee stock options, restricted stock or other rights the value of which is determined solely by reference to the value of the Company's common stock).

(q) “Incentive Pay Target” means the amount or value of Incentive Pay the Executive would have received assuming that the Incentive Pay Plans in effect immediately prior to the Change in Control continue unchanged and are satisfied at the target level and, if applicable, any conditions to entitlement to payment at the target level thereunder that are not measured by the Company’s results of operation are satisfied at the target level.

(r) “Independent Directors” means directors who qualify as “independent” directors under then-applicable New York Stock Exchange rules applicable to compensation committees (whether or not the Company’s securities continue to be listed for trading thereon).

(s) “Other Agreement” means an agreement, contract or understanding (including any option or equity plan or agreement) other than this Agreement, heretofore or hereafter entered into by the Executive with the Company or any Subsidiary.

(t) “Retirement Plans” means the benefit plans of the Company that are intended to be qualified under Section 401(a) of the Code and any supplemental executive retirement benefit plan or any other plan that is a successor thereto as such Retirement Plans were in effect immediately prior to the Change in Control and if the Executive was a participant in such Retirement Plan immediately prior to the Change in Control.

(u) “Section 162(m)” means Section 162(m) of the Code.

(v) “Section 409A” means Section 409A of the Code.

(w) “Severance Period” means the period of time commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i) the second anniversary of the occurrence of the Change in Control and (ii) the Executive’s death.

(x) “Subsidiary” means an entity in which the Company directly or indirectly beneficially owns 50% or more of the outstanding Voting Stock.

(y) “Termination Date” means the date on which the Executive’s employment is terminated (the effective date of which will be the date of termination, or such other date that may be specified by the Executive if the termination is pursuant to Section 3(b)).

(z) “Voting Stock” means securities entitled to vote generally in the election of directors.

(aa) “Welfare Benefits” means Employee Benefits that are provided under any “welfare plan” (within the meaning of Section 3(1) of ERISA) of the Company, and fringe benefits and other perquisites of employment, such as car allowances, club dues, financial planning and product discounts.

2. Operation of Agreement. This Agreement will be effective and binding immediately upon its execution, but, anything in this Agreement to the contrary notwithstanding, this Agreement will not be operative unless and until a Change in Control occurs. Upon the occurrence of a Change in Control, without further action, this Agreement will become immediately operative until the end of the Severance Period; *provided* that if, prior to a Change in Control, the Executive ceases for any reason to be a full-time employee of the Company, thereupon without further action this Agreement will immediately terminate and be of no further effect.

3. Termination Following a Change in Control. (a) In the event of the occurrence of a Change in Control, the Executive's employment may be terminated by the Company during the Severance Period and the Executive will be entitled to the benefits provided by Section 4 unless such termination is the result of the occurrence of one or more of the following events:

(i) the Executive's death;

(ii) if the Executive becomes permanently disabled within the meaning of, and begins actually to receive disability benefits pursuant to, the long-term disability plan in effect for, or applicable to, the Executive immediately prior to the Change in Control; or

(iii) Cause. (a) If, during the Severance Period, the Executive's employment is terminated by the Company other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), the Executive will be entitled to the benefits provided by Section 4; *provided* that such termination constitutes a "separation from service" as defined in Section 409A.

(b) In the event of the occurrence of a Change in Control, the Executive may terminate employment with the Company for Good Reason, with the right to severance compensation as provided in Section 4, regardless of whether any other reason, other than Cause, for such termination exists or has occurred, including without limitation other employment.

(c) Nothing in this Agreement will (i) be construed as creating an express or implied contract of employment, changing the status of Executive as an employee at will, giving Executive any right to be retained in the employ of the Company, or giving Executive the right to any particular level of compensation or benefits or (ii) interfere in any way with the right of the Company to terminate the employment of the Executive at any time with or without Cause, subject in either case to the obligations of the Company under this Agreement.

4. Severance Compensation. (a) If, following the occurrence of a Change in Control, the Company terminates the Executive's employment during the Severance Period other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), or if the Executive terminates Executive's employment pursuant to Section 3(b) (any such termination, a "Triggering Termination"), then, *provided* that such Triggering Termination constitutes a "separation from service" as defined in Section 409A, the Company will pay to the Executive the amounts described in Annex A within fifteen business days after the Termination Date (subject to the provisions of subsection (d) of this Section).

(b) Without limiting the rights of the Executive at law or in equity, if the Company fails to make any payment or provide any benefit required to be made or provided hereunder on a timely basis, the Company will pay interest on the amount or value thereof at an annualized rate of interest equal to the "prime rate" as set forth from time to time during the relevant period in The Wall Street Journal "Money Rates" column, plus 200 basis points, compounded monthly, or, if less, the maximum rate legally allowed. Such interest will be payable as it accrues on demand. Any change in such prime rate will be effective on and as of the date of such change.

(c) Unless otherwise expressly provided by the applicable plan, program or agreement, after the occurrence of a Change in Control, the Company will pay in cash to the Executive a lump sum amount equal to the sum of (i) any unpaid Incentive Pay that has been earned, accrued, allocated or awarded to the Executive for any performance period that by its terms as in effect prior to a Triggering Termination has been completed (any such period, a "Completed Performance Period") (regardless of whether payment of such compensation

would otherwise be contingent on the continuing performance of services by the Executive) and (ii) the Pro Rata Portion of the Incentive Pay Target in effect for any subsequent performance period. For this purpose, "Pro Rata Portion" means (x) the number of days from and including the first day immediately following the last day of the immediately preceding Completed Performance Period to and including the Termination Date, divided by (y) the total number of days in such subsequent performance period. Such payments will be made at the earlier of (x) the date prescribed for payment pursuant to the applicable plan, program or agreement and (y) within five business days after the Termination Date, and will be payable and calculated disregarding any otherwise applicable vesting requirements.

(d) To the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Executive's termination of employment shall instead be paid on the first business day after the date that is six months following the Executive's termination of employment (or upon the Executive's death, if earlier). In addition, for purposes of this Agreement, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Section 409A, and any payments described in Annex A that are due within the "short-term deferral period" as defined in Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise.

5. Limitations on Payments and Benefits. Notwithstanding any provision of this Agreement or any Other Agreement to the contrary (including without limitation any lesser protection of Executive under any equity-based award agreement), if any amount or benefit to be paid or provided under this Agreement or any Other Agreement would be an Excess Parachute Payment (including after taking into account the value, to the maximum extent permitted by Section 280G of the Code, of the covenants in Section 9 hereof), but for the application of this sentence, then the payments and benefits to be paid or provided under this Agreement and any Other Agreement will be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; *provided, however*, that the foregoing reduction will not be made if such reduction would result in Executive receiving an After-Tax Amount that is less than 90% of the After-Tax Amount of the payments and benefits that he or she would have received under Section 4 or under any Other Agreement without regard to this clause. Whether requested by the Executive or the Company, the determination of whether any reduction in such payments or benefits to be provided under this Agreement or otherwise is required pursuant to the preceding sentence, and the value to be assigned to the Executive's covenants in Section 9 hereof for purposes of determining the amount, if any, of the Excess Parachute Payment will be made at the expense of the Company by the Company's independent accountants or benefits consultant. The fact that the Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 5 will not of itself limit or otherwise affect any other rights of the Executive pursuant to this Agreement or any Other Agreement. In the event that any payment or benefit intended to be provided is required to be reduced pursuant to this Section 5, then the Company shall in good faith determine the appropriate treatment of payments or benefits, consistent with the requirements of Section 409A that produces the most advantageous economic outcome for the Executive, and its determination shall be final and binding on the Executive. The Company will provide the Executive with all information reasonably required or requested by the Executive to demonstrate to the Executive that it has complied with the immediately preceding sentence.

6. Executive Protections; Defend Trade Secrets Act. (a) Nothing in this Agreement or otherwise limits Executive's ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission (the "SEC"), or any other federal, state or local governmental agency or commission or self-regulatory organization (each such agency, commission or organization, a "Government Agency") regarding

possible legal violations, without disclosure to the Company. The Company may not retaliate against Executive for any of these activities, and nothing in this Agreement requires Executive to waive any monetary award or other relief that Executive might become entitled to from the SEC or any other Government Agency.

(b) Pursuant to the Defend Trade Secrets Act of 2016, Executive and the Company acknowledge and agree that Executive shall not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition and without limiting the preceding sentence, if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and may use the trade secret information in the court proceeding, if Executive (X) files any document containing the trade secret under seal and (Y) does not disclose the trade secret, except pursuant to court order.

7. No Mitigation Obligation; Other Agreements. (a) The Company hereby acknowledges that it will be difficult and may be impossible for the Executive to find reasonably comparable employment following the Termination Date. Accordingly, the payment of the severance compensation by the Company to the Executive in accordance with the terms of this Agreement is hereby acknowledged by the Company to be reasonable, and the Executive will not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor will any profits, income, earnings or other benefits from any source whatsoever create any mitigation, offset, reduction or any other obligation on the part of the Executive hereunder or otherwise.

(b) A termination of employment pursuant to Section 3 will not affect any rights that the Executive may have pursuant to any agreement, policy, plan, program or arrangement of the Company or Subsidiary providing Employee Benefits, which rights will be governed by the terms thereof. To the extent that the Executive receives payments by reason of his or her termination of employment pursuant to any other employment or severance agreement or employee plan (collectively, "Other Employment Agreements"), the amounts otherwise receivable under Section 4 will be reduced by the amounts actually paid pursuant to the Other Employment Agreements, but not below zero, to avoid duplication of payments so that the total amount payable or value of benefits receivable hereunder and under the Other Employment Agreements is not less than the amounts so payable or value so receivable had such benefits been paid in full hereunder. In the event that this Agreement conflicts with the terms of any equity award agreement, this Agreement shall govern unless otherwise expressly stated in such equity award agreement.

8. Legal Fees and Expenses. It is the intent of the Company that the Executive not be required to incur legal fees and the related expenses associated with the interpretation, enforcement or defense of Executive's rights in connection with any dispute arising under this Agreement because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Executive hereunder. Accordingly, if it should appear to the Executive that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any proceeding designed to deny, or to recover from, the Executive the benefits provided or intended to be provided to the Executive hereunder, the Company irrevocably authorizes the Executive from time to time to retain counsel of Executive's choice, at the expense of the Company as hereafter provided, to advise and represent the Executive in connection with any such dispute or proceeding. Without respect to whether the Executive prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all reasonable attorneys' and related fees and expenses incurred by the Executive in

connection with any of the foregoing; *provided* that, in regard to such matters, the Executive has not acted in bad faith or with no colorable claim of success. The Executive shall promptly submit a written request for reimbursement of such expenses, but in no event later than ninety days following the date on which such expenses were incurred, accompanied by such evidence of fees and expenses incurred as the Company may reasonably require, and such reimbursements will be made within thirty business days after delivery of the Executive's written requests for payment. For the avoidance of doubt, (i) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement provided to Executive in any other calendar year; (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; and (iii) the right to payment or reimbursement may not be liquidated or exchanged for any other benefit.

9. Competitive Activity; Confidentiality; Nonsolicitation. (a) For the period following the Termination Date specified in Paragraph (4) of Annex A (the "Non-Competition Period"), subject to the Executive's receipt of benefits under Section 4, the Executive will not, without the prior written consent of the Company, which consent will not be unreasonably withheld, engage in any Competitive Activity.

(b) The Company agrees that it will disclose to Executive its confidential or proprietary information (as defined in this Section (b)) to the extent necessary for Executive to carry out Executive's obligations to the Company. The Executive hereby covenants and agrees that, subject to Section 6(a), Executive will not, without the prior written consent of the Company, during the term of his employment with the Company and two years after the Termination Date disclose to any person not employed by the Company, or use in connection with engaging in competition with the Company, any confidential or proprietary information of the Company. For purposes of this Agreement, the term "confidential or proprietary information" will include all information of any nature and in any form that is owned by the Company and that is not publicly available (other than by Executive's breach of this Section 9(b)) or generally known to persons engaged in businesses similar or related to those of the Company. Confidential or proprietary information will include, without limitation, the Company's financial matters, customers, employees, industry contracts, strategic business plans, product development (or other proprietary product data), marketing plans, and all other secrets and all other information of a confidential or proprietary nature. For purposes of the preceding two sentences, the term "Company" will also include any Subsidiary (collectively, the "Restricted Group"). The obligations imposed by this Section 9(b) will be subject to Section 6(a) and will not apply (i) during the term of his employment with the Company, in the course of the business of and for the benefit of the Company and (ii) if such confidential or proprietary information has become, through no fault of the Executive, generally known to the public.

(c) The Executive hereby covenants and agrees that, for a period ending one year after the Termination Date, Executive will not, without the prior written consent of the Company, which consent will not unreasonably be withheld as to Executive's personal assistant, on behalf of Executive or on behalf of any person, firm or company, directly or indirectly, attempt to influence, persuade or induce, or assist any other person in so persuading or inducing, any employee of the Restricted Group to give up, or to not commence, employment or a business relationship with the Restricted Group.

(d) Executive and the Company agree that the covenants contained in this Section 9 are reasonable under the circumstances and subject to the provisions of Section 15 of this Agreement. Executive acknowledges and agrees that the remedy at law available to the Company for breach of any of Executive's obligations under this Section 9 would be inadequate and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms. Accordingly, Executive acknowledges, consents and agrees that, in addition to any other rights or remedies that the Company may have at law, in equity or

under this Agreement, upon adequate proof of Executive's violation of any such provision of this Agreement, the Company will be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach, without the necessity of proof of actual damage.

10. Employment Rights. Nothing expressed or implied in this Agreement will create any right or duty on the part of the Company or the Executive to have the Executive remain in the employment of the Company or any Subsidiary prior to or following any Change in Control.

11. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any applicable law, regulation or ruling.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance reasonably satisfactory to the Executive (to the extent not assumed by operation of law), expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b). Without limiting the generality or effect of the foregoing, the Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 12(c), the Company will have no liability to pay any amount so attempted to be assigned, transferred or delegated.

13. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as FedEx or UPS, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to the Executive at Executive's principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the substantive laws of the State of Delaware and federal law, without giving effect to the principles of conflict of laws of such State, except as expressly

provided herein. In the event the Company exercises its discretion under Section 9(d) to bring an action to enforce the covenants contained in Section 9 in a court of competent jurisdiction where the Executive has breached or threatened to breach such covenants, and in no other event, the parties agree that the court may apply the law of the jurisdiction in which such action is pending in order to enforce the covenants to the fullest extent permissible.

15. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, including without limitation Section 9, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal. If any covenant in Section 9 should be deemed invalid, illegal or unenforceable because its time, geographical area, or restricted activity, is considered excessive, such covenant will be modified to the minimum extent necessary to render the modified covenant valid, legal and enforceable.

16. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The headings used in this Agreement are intended for convenience or reference only and will not in any manner amplify, limit, modify or otherwise be used in the construction or interpretation of any provision of this Agreement. References to Sections are to Sections of this Agreement. References to Paragraphs are to Paragraphs of an Annex to this Agreement. Any reference in this Agreement to a provision of a statute, rule or regulation will also include any successor provision thereto.

17. Survival. Notwithstanding any provision of this Agreement to the contrary, the parties' respective rights and obligations under Sections 3(c), 4, 5, 6, 7, 8, 9, 10, 11, 12(b), 17 and 19 will survive any termination or expiration of this Agreement or the termination of the Executive's employment following a Change in Control for any reason whatsoever.

18. Beneficiaries. The Executive will be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following the Executive's death, and may change such election, in either case by giving the Company written notice thereof in accordance with Section 13. In the event of the Executive's death or a judicial determination of the Executive's incompetence, reference in this Agreement to the "Executive" will be deemed, where appropriate, to the Executive's beneficiary, estate or other legal representative.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same agreement.

20. Section 409A. To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A. This Agreement will be administered in a manner consistent with this intent, and any provision that would cause the Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply with Section 409A (which amendment may be retroactive to the extent permitted by Section 409A and may be made by the Company without the consent of the Executive).

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

Executive: Scott Salmirs

Signature: /s/ Scott Salmirs

Date: September 21, 2017

Company: ABM Industries Incorporated

Signature: /s/ Thomas M. Gartland

Name, Title: Thomas M. Gartland, Chairman Compensation Committee

Date: September 22, 2017

SEVERANCE COMPENSATION, ETC.

(1) A lump sum payment in an amount equal to three times the sum of (A) Base Pay (at the rate in effect for the year in which the Termination Date occurs), plus (B) Incentive Pay Target (or, if the Incentive Pay Target shall not have been established or shall be reduced after a Change in Control, the highest aggregate Incentive Pay Target as in effect for any of the three fiscal years immediately preceding the year in which the Change in Control occurred).

(2) Executive's then-outstanding equity-based awards under the Equity Plan (including any awards issued by an acquirer or successor to the Company in exchange or substitution for such awards) will not be forfeited but will become fully vested; *provided* that any performance awards with respect to then-ongoing performance periods shall be vested with respect to the number of shares that would have become earned and vested if the target level of performance was met.

(3) In lieu of providing any continuation of Welfare Benefits to the Executive and his or her dependents following the Termination Date (*it being understood* that this is not intended to supersede any right of the Executive and his or her dependents to COBRA continuation following the Termination Date), a lump sum payment in an amount equal to the present value of such Welfare Benefits, if such Welfare Benefits were provided for a period of 18 months following the Termination Date. For purposes of the immediately preceding sentence, the value of such Welfare Benefits shall be measured immediately prior to the Termination Date; *provided* that, to the extent applicable for purposes of calculating service or age to determine the value of such Welfare Benefits, assuming that the Executive had remained actively employed on a full-time basis for a period of 18 months following the Termination Date).

(4) The Non-Competition Period contemplated by Section 9(a) will be 12 months from the Termination Date.

RETIREMENT AND RELEASE AGREEMENT

September 1, 2017

James P. McClure
c/o ABM Industries Incorporated
One Liberty Plaza, 7th Floor, New York, NY 10006

Dear Jim:

This Retirement and Release Agreement (this "Retirement Agreement") between ABM Industries Incorporated ("Company" or "ABM") and you sets forth the terms of your retirement from the Company. By signing this Retirement Agreement, you and the Company agree as follows:

1. RETIREMENT DATE

Your last day of employment with the Company will be November 1, 2017 (the "Retirement Date"), which is the date the term of your Executive Employment Agreement dated January 13, 2015 (the "Employment Agreement") will end as a result of your retirement.

2. STATUS OF COMPENSATION AND BENEFITS

Whether you sign this Retirement Agreement or not, in connection with or following the termination of your employment (whether on the Retirement Date or upon an earlier termination of employment, your "Date of Termination"), you will, subject to applicable tax withholding:

- a. be paid any accrued but unpaid salary, together with accrued but unused vacation to the extent required by law, through the Date of Termination;
- b. be notified of your right to continue your health, dental and vision insurance coverage as well as EAP services under the COBRA law for 18 months;
- c. not be eligible for a bonus for the fiscal year ending October 31, 2017 except as set forth in Paragraph 3 below;
- d. not be covered by any basic or supplemental life, short term disability or personal accident insurance offered through the Company after your Date of Termination; however, you will have 31 days from your Date of Termination to convert any of these group policies to an individual policy;
- e. not be eligible to contribute additional amounts or receive additional matching contributions in the ABM 401(k) Employee Savings Plan after the Date of Termination; however, monies in your account will be available to you under the terms of the plan, *provided* that (i) if your account balance is in excess of \$5,000 (excluding amounts previously rolled into the plan), you can allow that balance to remain in the plan or (ii) where a lesser account balance remains, you will be notified that the balance will be distributed to you, but in either case, you can choose to roll-over the account balance to an outside 401(k) plan or IRA;
- f. continue to vest in your outstanding ABM equity awards until your Date of Termination, at which time such equity awards will cease to vest, *provided* that any outstanding ABM equity awards that remain eligible for vesting upon or following Retirement (as defined in ABM's 2006 Equity Incentive Plan, as amended and restated) pursuant to the terms expressly set forth in the Applicable Award Agreement will remain eligible for such vesting, and you will be able to exercise any vested stock options for the period following your Date of Termination specified in the applicable equity award documents (see Annex 1); and
- g. receive the amounts due, if any, under each of the Company's Employee Deferred Compensation Plan and the Company's Supplemental Executive Retirement Plan ("SERP"), in accordance with and subject to the terms of such applicable plan, including without limitation the payment timing following your "separation from service" within the meaning of Section 409A (see Annex 2).

3. SEPARATION AND RETIREMENT BENEFITS

So long as your employment is not terminated for Cause, and you do not resign, prior to the Retirement Date, and in consideration for you signing and not revoking this Retirement Agreement and subject to your execution (no earlier

than the Retirement Date but no later than 21 days thereafter) of the release attached hereto as Exhibit A (the "Final Release"), and non-revocation within the period specified therein (the "Final Release Effective Date"), which shall be in addition to the release set forth in Paragraph 5 of this Retirement Agreement, and your continuing compliance with all of your continuing obligations under the Employment Agreement and those set forth in Paragraph 4 hereof, you will receive the following additional payments and benefits ("Separation Benefits"), in full satisfaction of any amounts under the Employment Agreement and any other Company plan, policy or agreement, all subject to applicable tax withholding:

- a. **Cash Payments.** The Company will pay you a total of \$1,270,787.00, which equals 12 months of your current base pay and target bonus under the Company's annual performance incentive program. Such payment will be made in equal semi-monthly installments of \$52,950.00 over the 12-month period following the Retirement Date; *provided* that no such payments will be made earlier than five business days after the Final Release Effective Date.
- b. **FY2017 Bonus.** The Company will pay you your bonus for the fiscal year ending October 31, 2017, if and to the extent determined by the Compensation Committee based on the Company's actual performance for the entire fiscal year. Such fiscal year 2017 bonus shall be paid at such time as bonuses for fiscal year 2017 are paid to employees generally, but in no event later than March 15, 2018.

In addition, as a result of your retirement from the Company under the terms set forth in this Retirement Agreement, pursuant to Section 3.2 of the Employment Agreement, upon the Retirement Date, on each anniversary of the Retirement Date, and concluding with the ninth anniversary of the Retirement Date, the Company shall pay you \$10,000.00 per year to assist you in purchasing health insurance for you and your spouse. In the event that you die prior to the expiration of such ten-year period, the Company shall pay your surviving spouse \$10,000.00 per year as described above until the first to occur of (i) the death of your spouse or (ii) the end of the ten-year period.

No Separation Benefits will be paid or provided until after the Final Release Effective Date. You acknowledge that the compensation and benefits provided under this Retirement Agreement are greater than what you would be legally entitled to receive in the absence of this Retirement Agreement. You acknowledge (a) receipt of all compensation and benefits due through the date you sign this Retirement Agreement as a result of services performed for the Company; (b) you have reported to the Company any and all work-related injuries incurred during employment; and (c) the Company properly provided any leave of absence because of your or a family member's health condition and you have not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave.

Section 409A Tax Considerations. Notwithstanding the above, you shall not be considered to have terminated employment with the Company for purposes of this Paragraph 3, and no Separation Benefits (or other payments or benefits that would be considered deferred compensation) shall be due to you, unless you would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Internal Revenue Code ("Section 409A"). Each amount to be paid or benefit to be provided hereunder shall be construed as a separate identified payment for purposes of Section 409A, and any Separation Benefits that are due within the "short term deferral period" as defined in Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. In the event that it would be possible for any Separation Benefit to be paid in either of two calendar years, depending on when you sign the Final Release, then to the extent required to avoid being subject to Section 409A, any such Separation Benefits will not be paid until the calendar year following the calendar year in which your separation from service occurs. To the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, Separation Benefits (and other payments or benefits that would be considered deferred compensation) that would otherwise be payable or provided during the six-month period immediately following your "separation from service" within the meaning of Section 409A shall instead be paid on the first business day after the date that is six months following such "separation from service" (or upon your death, if earlier). To the extent any expense reimbursement or the provision of any in-kind benefit under this Retirement Agreement is determined to be subject to Section 409A, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses), in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which you incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit.

4. RESTRICTIVE COVENANTS AND EXTENSION OF RESTRICTED PERIOD TO TWO YEARS

By signing this Retirement Agreement, you reaffirm that you will continue to abide by the covenants set forth in Section 5 of your Employment Agreement, which expressly survive the termination of your employment; *provided* that you

hereby agree that the time period during which you agree to abide with each such covenant shall be amended to be the longer of (i) 24 months following your Retirement Date and (ii) the time period originally set forth in Section 5 of your Employment Agreement.

Pursuant to the Defend Trade Secrets Act of 2016, the parties hereto acknowledge and agree that you shall not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition and without limiting the preceding sentence, if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the trade secret to your attorney and may use the trade secret information in the court proceeding, if you (X) file any document containing the trade secret under seal and (Y) do not disclose the trade secret, except pursuant to court order.

5. WAIVER AND RELEASE

In exchange for the Separation Benefits, the Company will provide you under this Retirement Agreement, you release and forever discharge the Company, ABM Industries Incorporated, and all of their respective past, present or future subsidiaries, affiliates, related persons or entities, including but not limited to its officers, directors, managers, employees, shareholders, agents, attorneys, successors and assigns (collectively the "Released Parties"), from any and all actions, claims, demands and damages, whether actual or potential, known or unknown, and specifically but not exclusively, which you may have or claim to have against the Company as of the date you sign this Retirement Agreement including, without limitation, any and all claims related or in any manner incidental to your employment with the Company or termination of that employment relationship which you or your heirs, successors, executors, or other representatives may have ("Claims"). All such Claims are forever barred by this Retirement Agreement regardless of the forum in which such Claims might be brought, including, but not limited to, Claims (a) under any federal, state or local law governing the employment relationship or its termination (including, but not limited to, Title VII of the Civil Rights Acts of 1964 and 1991; the Age Discrimination in Employment Act of 1967 ("ADEA"); the Americans with Disabilities Act; the Family Medical Leave Act; the Employee Retirement Income Security Act of 1974, the Rehabilitation Act, the Worker Adjustment and Retraining Notification Act, any state, local, and other federal employment laws, and any amendments to any of the foregoing and/or (b) under the common law for breach of contract, wrongful discharge, personal injuries and/or torts. **You understand that this is a general waiver and release of all claims, known or unknown that you may have against the Released Parties based on any act, omission, matter, cause or thing that occurred through the date of your execution of this Retirement Agreement**

California Waiver of California Civil Code § 1542. To effect a full and complete release as described above, you expressly waive and relinquish all rights and benefits of §1542 of the Civil Code of the State of California, and do so understanding and acknowledging the significance and consequence of specifically waiving §1542, which states:

GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

In addition, by signing this Retirement Agreement you acknowledge and agree that you are not aware of any actions or inactions by the Company or any of the Released Parties that you believe may constitute bank fraud, wire fraud, mail fraud, securities fraud, any violation of a rule or regulation of the Securities and Exchange Commission, any violation of federal law, or any violation of the Company's Code of Business Conduct.

The above release (the "Release") does not waive claims (i) for vested rights under ERISA covered employee benefit plans as applicable on the date you sign this Retirement Agreement, (ii) that may arise after you sign this Retirement Agreement, (iii) which cannot be released by private agreement, or (iv) under this Retirement Agreement. In addition, the Company agrees that the Release does not extend to, release or modify any rights to indemnification or advancement of expenses to which you are entitled from the Company or its insurers under the Company's Certificate of Incorporation, Bylaws, and the General Corporation Law of the State of Delaware or otherwise.

To implement a full and complete release of all claims, you expressly acknowledge the Release is intended to include in its effect, without limitation, all causes of action or claims you do not know or suspect to exist in your favor at the time of signing this Retirement Agreement, and that this Retirement Agreement contemplates the extinguishment of

any such causes of action or claims.

6. COVENANT NOT TO SUE; NO WAIVER OF WHISTLEBLOWER PROTECTIONS

You understand that following the Effective Date, the Release will be final and binding. You promise that you will not pursue any claim that you have settled by the Release. If you break this promise, you agree to pay all of the Company's costs and expenses (including reasonable attorneys' fees) related to the defense of any claims except this promise not to sue stated in this paragraph does not apply to claims that you may have under the OWBPA and the ADEA.

Nothing in this Agreement or otherwise limits your ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission (the "SEC") or any other federal, state or local governmental agency or commission ("Government Agency") regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against you for any of these activities, and nothing in this Agreement requires you to waive any monetary award or other payment that you might become entitled to from the SEC or any other Government Agency. Further, nothing in this Agreement or otherwise precludes you from filing a charge of discrimination with the Equal Employment Opportunity Commission or a like charge or complaint with a state or local fair employment practice agency. However, once this Agreement becomes effective, you may not receive a monetary award or any other form of personal relief from the Company in connection with any such charge or complaint that you filed or is filed on your behalf.

7. MATERIAL BREACH

You agree that in the event of any breach or threatened breach of any provision of Paragraph 4 of this Retirement Agreement or of Section 5 of the Employment Agreement (as modified by this Retirement Agreement), the Company will have no further obligation to pay or provide any unpaid Separation Benefits and will be entitled to equitable and/or injunctive relief and, because the damages for such a breach or threatened breach will be impossible or impractical to determine and will not therefore provide a full and adequate remedy, the Company or ABM affiliated companies will also be entitled to specific performance by you. Nothing in this Retirement Agreement shall limit or prevent the Company from also pursuing any other or additional remedies it may have for breach of any other agreement you may have signed. Despite any breaches, your other obligations under this Retirement Agreement will remain in full force and effect.

8. RE-EMPLOYMENT

If you are offered and accept re-employment with the Company or ABM-affiliated companies, remaining Separation Benefits will cease upon such re-employment with the Company or ABM-affiliated companies.

9. NOTICE AND REVOCATION PERIODS

This Retirement Agreement is important. You are advised to review it carefully and consult an attorney before signing it, as well as any other professional whose advice you value, such as an accountant or financial advisor. If you agree to the terms of this Retirement Agreement, sign in the space below where your agreement is indicated. The payments and benefits specified in this Retirement Agreement are contingent on your signing and not revoking this Retirement Agreement and the Final Release. You will have 21 calendar days from the date hereof to consider this Retirement Agreement. If you choose to sign this Retirement Agreement before the end of that 21-day period, you certify that you did so voluntarily for your own benefit and waived the right to consider this Retirement Agreement for the entire 21-day period. You agree that changes to this Retirement Agreement, whether material or immaterial, do not restart the running of the 21-day period for you to consider the Agreement. After you have signed this Retirement Agreement, you may revoke your consent to it by delivering written notice signed by you to David Goodes, ABM Industries Incorporated, One Liberty Plaza, 7th Floor, New York, NY 10006, on or before the seventh calendar day after you sign it. If you do not revoke this Retirement Agreement within seven calendar days after you sign it, it will be final, binding, and irrevocable ("Effective Date").

Even if you revoke this Retirement Agreement, Section 1 hereof will remain in effect and is effective on the date of this Retirement Agreement.

10. RETURN OF PROPERTY

You affirm that you have returned, or will return, to the Company all Company Property, as described more fully below,

with the exception of documents relating to compensation or benefits to which you are entitled following the termination of your employment. Company Property includes company-owned motor vehicles, equipment, supplies and documents. Such documents may include but are not limited to customer lists, financial statements, cost data, price lists, invoices, forms, passwords, electronic files and media, mailing lists, contracts, reports, manuals, personnel files, correspondence, business cards, drawings, employee lists or directories, lists of vendors, photographs, maps, surveys, and the like, including copies, notes or compilations made there from, whether such documents are embodied on "hard copies" or contained on computer disk or any other medium You further agree that you will not retain any copies or duplicates of any such Company Property.

11. POSITIONS HELD AS ABM REPRESENTATIVE

If during employment you held any membership or position as a representative of ABM for any outside organization (such as SOMA, IR EM, IFMA or BSCIA), or as a trustee for a union trust fund (such as a Taft-Hartley or similar fund), you agree that you resign from such membership or position, or trustee position effective on the date of this Retirement Agreement set forth above, and you agree to cooperate fully with ABM in any process whereby ABM designates a new representative to replace the position vacated by you.

12. NATURE OF AGREEMENT

By signing this Retirement Agreement, you acknowledge that you are doing so freely, knowingly and voluntarily. You acknowledge that in signing this Retirement Agreement you have relied only on the promises written in this Retirement Agreement, and not on any other promise made by the Company or ABM Companies. This Retirement Agreement is not, and will not be considered, an admission of liability or of a violation of any applicable contract, law, rule, regulation, or order of any kind. This Retirement Agreement contains the entire agreement between the Company, other ABM Companies and you regarding your departure from the Company, except that all post-employment covenants contained in your Employment Agreement remain in full force and effect as modified by this Retirement Agreement. You agree and acknowledge that you are not entitled to any severance benefits under the Employment Agreement or any Company severance policy or any other Company plan, policy or agreement. This Retirement Agreement may not be altered, modified, waived or amended except by a written document signed by a duly authorized representative of the Company and you. Except as otherwise provided, this Retirement Agreement will be interpreted and enforced in accordance with the laws of Texas. The headings in this document are for reference only, and shall not in any way affect the meaning or interpretation of this Retirement Agreement. Nothing in this Retirement Agreement shall be binding on the parties to the extent it is void or unenforceable. The provisions of this Retirement Agreement are severable. If any provision of this Retirement Agreement is ruled unenforceable or invalid, such ruling shall not affect the enforceability or validity of other provisions of this Retirement Agreement.

Sincerely,

/s/ David R. Goodes
On behalf of the Company

September 5, 2017
Date

I do hereby acknowledge and accept the terms of, and agree to, this Retirement and Release Agreement.

/s/ James P. McClure
James P. McClure

September 5, 2017
Date

EXHIBIT A

Form of Final Release

I have been provided with the opportunity to sign this Release (this "Release") by ABM Industries Incorporated ("Company" or "ABM"), as a part of and pursuant to my Retirement and Release Agreement (the "Retirement Agreement") dated ____, 2017 with ABM, in order to receive the Separation Benefits (as defined in the Retirement Agreement). Terms used but not defined herein shall have the meaning given in the Retirement Agreement.

I hereby agree as follows:

1. STATUS OF EMPLOYMENT

My employment with the Company ended November 1, 2017 ("Retirement Date"). I acknowledge (a) receipt of all compensation and benefits due through the date I sign this Release as a result of services performed for the Company (other than the Separation Benefits); and (b) I have reported to the Company any and all work-related injuries incurred during employment.

2. WAIVER AND RELEASE

In exchange for the Separation Benefits, I release and forever discharge ABM Industries Incorporated, and its past, present or future subsidiaries, affiliates, related persons or entities, including but not limited to its officers, directors, managers, employees, shareholders, agents, attorneys, successors and assigns (collectively the "Released Parties"), from any and all actions, claims, demands and damages, whether actual or potential, known or unknown, and specifically but not exclusively, which I may have or claim to have against the Company as of the date I sign this Release including, without limitation, any and all claims related or in any manner incidental to my employment with the Company or termination of that employment relationship ("Claims") which I or my heirs, successors, executors, or other representatives may have. All such Claims are forever barred by this Release regardless of the forum in which such Claims might be brought, including, but not limited to, Claims (a) under any federal, state or local law governing the employment relationship or its termination (including, but not limited to, Title VII of the Civil Rights Acts of 1964 and 1991; the Age Discrimination in Employment Act of 1967 ("ADEA"); the Americans with Disabilities Act; the Family Medical Leave Act; the Employee Retirement Income Security Act of 1974, the Rehabilitation Act, the Worker Adjustment and Retraining Notification Act, any state, local, and other federal employment laws, and any amendments to any of the foregoing and/or (b) under the common law for breach of contract, wrongful discharge, personal injuries and/or torts. I understand that this is a general waiver and release of all claims, known or unknown that I may have against the Released Parties based on any act, omission, matter, cause or thing that occurred through the date of my execution of this Release.

California Waiver of California Civil Code § 1542. To effect a full and complete release as described above, you expressly waive and relinquish all rights and benefits of §1542 of the Civil Code of the State of California, and do so understanding and acknowledging the significance and consequence of specifically waiving §1542, which states:

GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

In addition, by signing this Release I acknowledge and agree that I am not aware of any actions or inactions by the Company or any of the Released Parties that I believe may constitute bank fraud, wire fraud, mail fraud, securities fraud, any violation of a rule or regulation of the Securities and Exchange Commission, any violation of federal law, or any violation of the Company's Code of Business Conduct.

This Release does not waive claims (i) for vested rights under ERISA-covered employee benefit plans as applicable on the date I sign this Release, (ii) that may arise after I sign this Release, (iii) which cannot be released by private agreement or (iv) to the Separation Benefits pursuant to the terms of the Retirement Agreement. In addition, the Company agrees that this Release does not extend to, release or modify any rights to indemnification or advancement of expenses to which I am entitled from the Company or its insurers under the Company's Certificate of Incorporation, Bylaws, and the General Corporation Law of the State of Delaware or otherwise.

To implement a full and complete release of all claims, I expressly acknowledge this Release is intended to include in its effect, without limitation, all causes of action or claims I do not know or suspect to exist in my favor at the time of signing this Release, and that this Release contemplates the extinguishment of any such causes of action or claims.

3. COVENANT NOT TO SUE

I understand that following the Release Effective Date (as defined below), this Release will be final and binding. I promise that I will not pursue any claim that I have settled by this Release. If I break this promise, I agree to pay all of the Company's costs and expenses (including reasonable attorneys' fees) related to the defense of any claims except this promise not to sue stated in this paragraph does not apply to claims that I may have under the OWBPA and the ADEA. I further understand that nothing in this Release generally prevents me from filing a charge or complaint with or from participating in an investigation or proceeding conducted by the EEOC, NLRB, or any other federal, state or local agency charged with the enforcement of any employment laws, although by signing this Release I am waiving my right to individual relief based on claims asserted in such a charge or complaint. I have the right under Federal law to certain protections for cooperating with or reporting legal violations to the Securities and Exchange Commission (the "SEC") and/or its Office of the Whistleblower, as well as certain other governmental entities and self-regulatory organizations. As such, nothing in this Release or otherwise is intended to prohibit me from disclosing this Release or the Retirement Agreement to, or from cooperating with or reporting violations to, the SEC or any other such governmental entity or self-regulatory organization, and I may do so without notifying the Company.

4. MATERIAL BREACH

I agree that in the event of any breach or threatened breach of any provision of Paragraph 4 of the Retirement Agreement or of Section 5 of the Employment Agreement, the Company will have no further obligation to pay or provide any unpaid Separation Benefits and will be entitled to equitable and/or injunctive relief and, because the damages for such a breach or threatened breach will be impossible or impractical to determine and will not therefore provide a full and adequate remedy, the Company or ABM-affiliated companies will also be entitled to specific performance by me. Nothing in this Release shall limit or prevent the Company from also pursuing any other or additional remedies it may have for breach of any other agreement I may have signed. Despite any breaches, my other obligations under this Release and the Retirement Agreement will remain in full force and effect.

5. NOTICE AND REVOCATION PERIODS

This Release is important. I have been advised to review it carefully and consult an attorney before signing it, as well as any other professional whose advice I value, such as an accountant or financial advisor. I understand that the Separation Benefits are contingent on my signing and not revoking this Release. I understand that I have 21 calendar days from the Retirement Date to consider this Release. If I choose to sign this Release before the end of that 21-day period, I certify that I did so voluntarily for my own benefit and waived the right to consider this Release for the entire 21-day period. I agree that changes to this Release, whether material or immaterial, do not restart the running of the 21-day period for me to consider this Release. After I have signed this Release, I may revoke my consent to it by delivering written notice signed by me to David Geodes, ABM Industries Incorporated, One Liberty Plaza, 7th Floor, New York, NY 10006, on or before the seventh calendar day after I sign it. If I do not revoke this Release within seven calendar days after I sign it, it will be final, binding, and irrevocable ("Release Effective Date").

6. RETURN OF PROPERTY

I affirm that I have returned to the Company all Company Property, as described more fully below, with the exception of documents relating to compensation or benefits to which I am entitled following the termination of my employment. Company Property includes company-owned motor vehicles, equipment, supplies and documents. Such documents may include but are not limited to customer lists, financial statements, cost data, price lists, invoices, forms, passwords, electronic files and media, mailing lists, contracts, reports, manuals, personnel files, correspondence, business cards, drawings, employee lists or directories, lists of vendors, photographs, maps, surveys, and the like, including copies, notes or compilations made there from, whether such documents are embodied on "hard copies" or contained on computer disk or any other medium I further agree that I will not retain any copies or duplicates of any such Company Property.

7. NATURE OF RELEASE

By signing this Release, I acknowledge that I am doing so freely, knowingly and voluntarily. I acknowledge that in signing this Release I have relied only on the promises written in this Release and the Retirement Agreement, and not on any other promise made by the Company or ABM Companies. This Release is not, and will not be considered, an admission of liability or of a violation of any applicable contract, law, rule, regulation, or order of any kind. This Release and the Retirement Agreement contains the entire agreement between the Company, other ABM Companies and me regarding my departure from the Company, except that all post-employment covenants contained in my Employment Agreement remain in full force and effect. You agree and acknowledge that you are not entitled to any severance benefits under the Employment Agreement or any other Company plan, policy or agreement. This Release may not be altered, modified, waived or amended except by a written document signed by a duly authorized representative of the Company and me. Except as otherwise provided, this Release will be interpreted and enforced in accordance with the laws of the state in which I work. The headings in this document are for reference only, and shall not in any way affect the meaning or interpretation of this Release. Nothing in this Release shall be binding on the parties to the extent it is void or unenforceable. The provisions of this Release and the Retirement Agreement are severable. If any provision of this Release or the Retirement Agreement is ruled unenforceable or invalid, such ruling shall not affect the enforceability or validity of other provisions of this Release and the Retirement Agreement.

JAMES P. MCCLURE

Date:_____, 2017

Acknowledged and agreed:

ABM INDUSTRIES INCORPORATED

By: _____
Name:
Title:

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (“Agreement”) is effective November 1, 2017 (“Effective Date”) between D. Anthony Scaglione (“Executive”) and ABM Industries Incorporated, a Delaware corporation (“Company” or “ABM”). As of the Effective Date, this Agreement supersedes in its entirety the Executive Employment Agreement dated April 6, 2015.

In consideration of the terms and commitments contained in this Agreement, the parties agree to and acknowledge the following:

1. EMPLOYMENT.

The Company agrees to employ Executive, and Executive hereby accepts such employment, on the terms and conditions set forth in this Agreement.

2. DUTIES, RESPONSIBILITIES AND TITLE.

Executive’s title shall be Executive Vice President and Chief Financial Officer of the Company and such other titles as may be assigned from time to time by the Company. Executive shall have and perform such duties, functions and responsibilities relating to Executive’s employment with Company as may be assigned from time to time by the Company, consistent with such position. Executive shall report directly to the Chief Executive Officer of the Company and shall provide the services hereunder at the Company’s office located in New York City.

3. COMPENSATION.

During Executive’s employment hereunder, Company agrees to compensate Executive, and Executive agrees to accept as compensation in full, as follows:

3.1 **BASE SALARY.** The Company shall pay to Executive an annual base salary (the “Base Salary”) in an amount to be determined by the Board of Directors or its applicable committee (as applicable, the “Committee”) in its sole discretion. The Base Salary shall be subject to applicable state and federal withholdings and shall be paid according to the Company’s standard payroll practices.

3.2 **BONUS.** Executive will be eligible for annual incentive awards pursuant to the terms of the Cash Incentive Program or any applicable successor program (“Cash Bonus”). The target amount for Executive’s Cash Bonus shall be seventy percent (70%) of Base Salary (“Target Cash Bonus”). Executive’s actual Cash Bonus may range from 0% to an amount greater than Target Cash Bonus. The Cash Bonus, if any, earned for a fiscal year will be paid no later than the March 15 following the completion of the performance year.

3.3 **EQUITY.** Executive will be eligible to receive annual awards under the 2006 Equity Incentive Plan, as amended and restated, or any applicable successor plan

(“Equity Plan”), subject to the terms and conditions of the applicable plan and as determined by the Committee in its discretion.

- 3.4 REIMBURSEMENTS. The Company shall reimburse Executive for all reasonable and necessary out-of-pocket expenses incurred by Executive in connection with the performance of Executive's duties hereunder, in accordance with the Company's expense reimbursement policies and procedures.
- 3.5 BENEFITS. Executive will be eligible to participate in the Company's health, welfare and retirement benefit plans generally available for executive officers from time to time.

4. **COMPLIANCE WITH LAWS AND POLICIES; EMPLOYEE PROTECTIONS.** Executive shall dedicate Executive's full business time and attention to the performance of duties hereunder, perform Executive's duties in good faith and to a professional standard, and fully comply with all laws and regulations pertaining to the performance of Executive's responsibilities, all ethical rules, ABM's Code of Business Conduct and Ethics, ABM's Recoupment Policy as well as any and all of policies, procedures and instructions of ABM, in each case as in effect from time to time; provided, it shall not be a violation of the foregoing for Executive to manage Executive's personal, financial and legal affairs to the extent that they do not interfere with Executive's ability to perform Executive's duties to the Company. Prior to joining or agreeing to serve on corporate, civil or charitable boards or committees, Executive shall obtain approval of the Chief Executive Officer or otherwise as required by ABM's Corporate Governance Guidelines as in effect from time to time.

Nothing in this Agreement or otherwise limits Executive's ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission (the "SEC") or any other federal, state or local governmental agency or commission ("Government Agency") regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against Executive for any of these activities, and nothing in this Agreement or otherwise requires Executive to waive any monetary award or other payment that Executive might become entitled to from the SEC or any other Government Agency.

Pursuant to Section 7 of the Defend Trade Secrets Act of 2016 (which added 18 U.S.C. § 1833(b)), the Company and Executive acknowledge and agree that Executive shall not have criminal or civil liability under any federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition and without limiting the preceding sentence, if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and may use the trade secret information in the court proceeding, if Executive (X) files any document containing the trade secret under seal and (Y) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement or otherwise is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such Section.

5. **RESTRICTIVE COVENANTS.**

In consideration of the compensation, contract term, potential Severance Benefits, continued employment provided by Company, as well as the access Company will provide Executive to its Confidential Information, as defined below, and current and prospective customers, all as necessary for the performance of Executive's duties hereunder, Executive hereby agrees to the following during Executive's employment and thereafter as provided, except that if Executive's employment is terminated under circumstances qualifying Executive for payments under the Change-in-Control

Agreement (as defined below), the applicable restrictive covenants set forth in such Change-in-Control Agreement shall supersede Sections 5.3, 5.4, 5.5 and 5.6 below:

- 5.1 **CONFIDENTIAL INFORMATION DEFINED.** Confidential Information includes but is not limited to: (i) Company and its subsidiary companies' trade secrets, know-how, ideas, applications, systems, processes and other confidential information which is not generally known to and/or readily ascertainable through proper means by the general public; (ii) plans for business development, marketing, business plans and strategies, budgets and financial statements of any kind, costs and suppliers, including methods, policies, procedures, practices, devices and other means used by the Company and its subsidiaries in the operation of its business, pricing plans and strategies, as well as information about the Company and affiliated entity pricing structures and fees, unpublished financial information, contract provisions, training materials, profit margins and bid information; (iii) information regarding the skills, abilities, performance and compensation of other employees of the Company or its subsidiaries, or of the employees of any company that contracts to provide services to the Company or its subsidiaries; (iv) information of third parties to which Executive had access by virtue of Executive's employment, including, but not limited to information on customers, prospective customers, and/or vendors, including current or prospective customers' names, contact information, organizational structure(s), and their representatives responsible for considering the entry or entering into agreements for those services, and/or products provided by the Company and its subsidiaries; customer leads or referrals; customer preferences, needs, and requirements (including customer likes and dislikes, as well as supply and staffing requirements) and the manner in which they have been met by the Company or its subsidiaries; customer billing procedures, credit limits and payment practices; and customer information with respect to contract and relationship terms and conditions, pricing, costs, profits, sales, markets, plans for future business and other development; purchasing techniques; supplier lists; (v) information contained in the Company's LCMS database, JDE , LMS or similar systems; (vi) any and all information related to past, current or future acquisitions between the Company or Company-affiliated entities including information used or relied upon for said acquisition ("Confidential Information"). Notwithstanding the generality of the foregoing, Confidential Information shall not include: (x) information known to Executive prior to Executive's discussions with the Company regarding Executive's employment with the Company; (y) contact information contained on Executive's rolodex (other than for officers, directors, employees, and/or independent contractors of the Company and Company-affiliated entities); or (z) information that is or becomes generally known in the industry or part of the public domain.
- 5.2 **NON-DISCLOSURE.** The Company and Executive acknowledge and agree that the Company has invested significant effort, time and expense to develop its Confidential Information. Except in the proper performance of this Agreement, Executive agrees to hold all Confidential Information in the strictest confidence, and to refrain from making any unauthorized use or disclosure of such information both during Executive's employment and at all times thereafter. Except in the proper performance of this Agreement, Executive shall not directly or indirectly disclose, reveal, transfer or deliver to any other person or business, any Confidential Information which was obtained directly or indirectly by Executive from, or for, the Company or its subsidiaries or by virtue of Executive's employment. This Confidential Information has unique value to the Company and its subsidiaries, is not generally known or readily available by proper means to their competitors or the general public, and could only be developed by others after investing significant effort, time, and expense. Executive understands that Company or its subsidiaries would not make such Confidential Information available to

Executive unless the Company was assured that all such Confidential Information will be held in trust and confidence in accordance with this Agreement and applicable law. Executive hereby acknowledges and agrees to use this Confidential Information solely for the benefit of the Company and its affiliated entities. In addition, Executive agrees that at all times after the voluntary or involuntary termination of Executive's employment, Executive shall not attempt to seek, seek, attempt to solicit, solicit, or accept work from of any customer or active customer prospect of Company or any other Company-affiliated entity through the direct or indirect use of any Confidential Information or by any other unfair or unlawful business practice.

- 5.3 **NON-SOLICITATION OF EMPLOYEES.** Executive acknowledges and agrees that the Company has developed its work force as the result of its investment of substantial time, effort, and expense. During the course and solely as a result of Executive's employment with the Company, Executive will come into contact with officers, directors, employees, and/or independent contractors of the Company and Company-affiliated entities, develop relationships with and acquire information regarding their knowledge, skills, abilities, salaries, commissions, benefits, and/or other matters that are not generally known to the public. Executive further acknowledges and agrees that hiring, recruiting, soliciting, or inducing the termination of such individuals will cause increased expenses and a loss of business. Accordingly, Executive agrees that while employed by the Company and for a period of twelve (12) months following the termination of Executive's employment (whether termination is voluntary or involuntary), Executive will not directly or indirectly solicit, hire, recruit or otherwise encourage, assist in or arrange for any officer, director, employee, and/or independent contractor to terminate his/her business relationship with the Company or any other Company-affiliated entity except in the proper performance of this Agreement. This prohibition against solicitation shall include but not be limited to: (i) identifying to other companies or their agents, recruiting or staffing firms, or other third parties the Company officers, directors, employees, or independent contractors who have specialized knowledge concerning the Company's business, operations, processes, methods, or other confidential affairs or who have contacts, experience, or relationships with particular customers; (ii) disclosing or commenting to other companies or their agents, recruiting or staffing firms, or other third parties regarding the quality or quantity of work, specialized knowledge, or personal characteristics of any person still engaged by Company or any other Company-affiliated entity; and (iii) providing such information to prospective companies or their agents, recruiting or staffing firms, or other third parties preceding possible engagement; provided, nothing in this Section 5.3 shall prevent Executive from serving as a reference in response to a bona fide inquiry regarding an employee or former employee of the Company.
- 5.4 **NON-SOLICITATION OF CUSTOMERS.** Executive acknowledges and agrees that the Company and its subsidiaries have identified, solicited, and developed their customers and developed customer relationships as the result of their investment of significant time, effort, and expense and that the Company has a legitimate business interest in protecting these relationships. Executive further acknowledges that Executive would not have been privy to these relationships were it not for Executive's employment by the Company. Executive further acknowledges and agrees that the loss of such customers and clients would damage the Company and potentially cause the Company great and irreparable harm. Consequently, Executive covenants and agrees that during and for twelve (12) months following the termination of Executive's employment with the Company (whether such termination is voluntary or involuntary), Executive shall not, directly or indirectly, for the benefit of any person or entity other than the Company, attempt to seek, seek, attempt to solicit, solicit, or

accept work from any customer, client or active customer prospect: (i) with whom Executive developed a relationship while employed by Company or otherwise obtained Confidential Information about for the purpose of diverting business from Company or an affiliated entity; and (ii) that is located in a state or foreign country in which: (a) the Executive performed work, services, or engaged in business activity on behalf of the Company within the twelve (12) month period preceding the effective date of Executive's termination of employment; and/or (b) where the Company has business operations and Executive was provided Confidential Information regarding the Company's business activities in those territories within the twelve (12) month period preceding the effective date of Executive's termination of employment.

- 5.5 **POST EMPLOYMENT COMPETITION.** Executive agrees that, while employed by the Company and for a period of twelve (12) months following Executive's termination of employment (whether such termination is voluntary or involuntary), Executive shall not work, perform services for, or engage in any business, enterprise, or operation that engages in a Competing Business (as defined below) in a Restricted Territory (as defined below). For purposes of this Agreement, "Competing Business" means the provision of any goods, products, or services that are the same or substantially similar to those provided by the Company, or any Company-affiliated entity of which Executive had Confidential Information, in the twelve (12) month period preceding the effective date of Executive's termination of employment. Executive acknowledges that the Company and its subsidiaries are engaged in business in various states throughout the U.S. and various international locations. Accordingly, and in view of the nature of Executive's nationwide position and responsibilities, "Restricted Territory" as used herein means each state and each foreign country: (i) in which Executive performed work, services, or engaged in business activity on behalf of the Company within the twelve (12) month period preceding the effective date of Executive's termination of employment; and/or (ii) where the Company has business operations and Executive was provided Confidential Information regarding the Company's business activities in those territories within the twelve (12) month period preceding the effective date of Executive's termination of employment. The restrictions in Section 5.5 shall only apply if, within the twelve (12) month period prior to the effective date of Executive's termination, Executive was employed by the Company to perform sales, marketing, and/or operational activities, or was directly involved in corporate development and strategy (i.e., mergers, acquisitions, divestitures and/or other corporate strategic initiatives) for the Company or its subsidiaries/affiliates.
- 5.6 **NON-DISPARAGEMENT.** Following the termination of Executive's employment for any reason, Executive agrees not to make any statement or take any action which disparages, defames, or places in a negative light the Company, Company-affiliated entities, or its or their reputation, goodwill, commercial interests or past and present officers, directors, employees, consultants, and/or agents, and the Company shall instruct its directors and executive officers to not make any statement or take any action which disparages, defames, or places in a negative light Executive.
- 5.7 **CREATIONS.** The terms and conditions set forth in Appendix A attached hereto are hereby incorporated by reference as though fully set forth herein.
- 5.8 **CONFIDENTIAL INFORMATION OF OTHERS; NO CONFLICTS.** Executive will not use, disclose to the Company or induce the Company to use any legally protected confidential, proprietary or trade secret information or material belonging to others which comes into Executive's knowledge or possession at any time, nor will Executive use any such legally

protected information or material in the course of Executive's employment with the Company. Executive has no other agreements or relationships with or commitments to any other person or entity that conflicts with Executive's obligations to the Company as an employee of the Company or under this Agreement, and Executive represents that Executive's employment will not require Executive to violate any legal obligations to any third-party. In the event Executive believes that Executive's work at the Company would make it difficult for Executive not to disclose to the Company any legally protected confidential, proprietary or trade secret information or materials belonging to others, Executive will immediately inform the Company's Chief Human Resources Officer. Executive has not entered into, and Executive agrees Executive will not enter into, any oral or written agreement in conflict with this Agreement.

- 5.9 **COOPERATION WITH LEGAL MATTERS.** During Executive's employment with Company and thereafter, Executive shall reasonably cooperate with Company and any Company-affiliated entity in its or their investigation, defense or prosecution of any potential, current or future legal matter in any forum, including but not limited to lawsuits, administrative charges, audits, arbitrations, and internal and external investigations. Executive's cooperation shall include, but is not limited to, reviewing and preparing documents and reports, meeting with attorneys representing any Company-affiliated entity, providing truthful testimony, and communicating Executive's knowledge of relevant facts to any attorneys, experts, consultants, investigators, employees or other representatives working on behalf of an Company-affiliated entity. Except as required by law, Executive agrees to treat all information regarding any such actual or potential investigation or claim as confidential. Executive also agrees not to discuss or assist in any litigation, potential litigation, claims, or potential claim with any individual (or their attorney or investigator) who is pursuing, or considering pursuing, any claims against the Company or a Company-affiliated entity unless required by law. In performing the tasks outlined in this Section 5.9, Executive shall be bound by the covenants of good faith and veracity set forth in ABM's Code of Business Conduct and Ethics and by all legal obligations. Nothing herein is intended to prevent Executive from complying in good faith with any subpoena or other affirmative legal obligation. Executive agrees to notify the Company immediately in the event there is a request for information or inquiry pertaining to the Company, any Company-affiliated entity, or Executive's knowledge of or employment with the Company. In performing responsibilities under this Section following termination of employment for any reason, Executive shall be compensated for Executive's time at an hourly rate of \$250 per hour. However, during any period in which Executive is an employee of the Company, Executive shall not be so compensated.
- 5.10 **REMEDIES AND DAMAGES.** The parties agree that compliance with Sections 5.1 - 5.7 of the Agreement and Appendix A is necessary to protect the business, reputation and goodwill of the Company and, in the case of Section 5.5 of the Agreement, the reputation and goodwill of Executive, that the restrictions contained herein are reasonable, and that any breach of Section 5 may result in irreparable and continuing harm to the Company or to Executive, for which monetary damages will not provide adequate relief. Accordingly, in the event of any actual or threatened breach of any covenant or promise made by either party in Section 5, Company and Executive agree that both parties shall be entitled to all appropriate remedies, including temporary restraining orders and injunctions enjoining or restraining such actual or threatened breach. Each of the Company and Executive hereby consents to the issuance thereof forthwith by any court of competent jurisdiction.
- 5.11 **LIMITATIONS.** Nothing in this Agreement shall be binding upon the parties to the extent it is void or unenforceable for any reason in the State of New York, including, without limitation,

as a result of any law regulating competition or proscribing unlawful business practices; provided, however, that to the extent that any provision in this Agreement could be modified to render it enforceable under applicable law, it shall be deemed so modified and enforced to the fullest extent allowed by law.

6. **AT-WILL EMPLOYMENT.** The employment of Executive shall be “at-will” at all times. The Company or Executive may terminate Executive’s employment with the Company at any time, without any advance notice, for any reason or no reason at all, notwithstanding anything to the contrary contained in or arising from any statements, policies or practices of the Company relating to the employment, discipline or termination of its employees. Following the termination of Executive’s employment for any reason, the Company shall pay to Executive all compensation to which Executive is entitled up through the date of termination, including accrued but unpaid Base Salary, any accrued and unused paid time off and any incurred but unpaid reimbursements (together “Accrued Obligations”). Thereafter, all obligations of the Company under this Agreement shall cease other than those set forth in Section 7.

7. **TERMINATION OF EMPLOYMENT.**

7.1 **TERMINATION BY COMPANY FOR CAUSE.** Where the Company terminates Executive’s employment for Cause, all obligations of the Company under this Agreement shall cease; provided the Company shall pay Executive the Accrued Obligations within thirty (30) days of the termination of Executive’s employment. For purposes of this Agreement, “Cause” shall mean the occurrence of one of the following: (i) Executive’s willful misconduct, dishonesty, or insubordination; (ii) Executive’s conviction (or entry of a plea bargain admitting criminal guilt) of any felony or a misdemeanor involving moral turpitude; (iii) drug or alcohol abuse that has a material effect on the performance of Executive’s duties and responsibilities under this Agreement; (iv) Executive’s willful and repeated failure to substantially perform Executive’s duties and responsibilities under this Agreement for reasons other than death or Disability, as defined below; (v) Executive’s willful and repeated inattention to duty for reasons other than death or Disability; (vi) Executive’s material and willful violation of the Company’s Code of Business Conduct; and (vii) any other material and willful breach of this Agreement by Executive. No Cause shall exist until the Company has given Executive written notice describing the circumstances giving rise to Cause in reasonable detail and, to the extent such circumstances are susceptible to remedy, Executive has failed to remedy such circumstances within fifteen (15) days of receiving such notice.

7.2 **TERMINATION BY THE COMPANY WITHOUT CAUSE OR TERMINATION BY THE EXECUTIVE FOR GOOD REASON.** Where the Company terminates Executive’s employment without Cause, or Executive terminates Executive’s employment for Good Reason (as defined below), Executive shall be entitled to: (i) a payment equal in the aggregate to 2 times the sum of (A) Executive’s Base Salary and (B) Executive’s Target Cash Bonus, which payment shall be paid in equal installments (no less frequently than monthly) over the 24-month period following Executive’s separation from service, provided that any amounts otherwise payable prior to the effective date of the release referenced below shall be paid in a lump sum within 7 days following the effective date of such release; (ii) eighteen (18) months’ medical benefits coverage, which may be provided through COBRA reimbursement; (iii) Executive’s prorated Cash Bonus for the year of termination based on the Committee’s determination of actual performance following the end of the performance period; and (iv) any earned but unpaid Cash Bonus in respect of any completed fiscal year that has ended prior to the date of such termination (the amounts set forth in clauses (i) through (iv) collectively, the “Severance Benefits”); provided that Executive’s eligibility to receive the Severance

Benefits is conditioned on: (A) Executive having first signed a release agreement in the form provided by the Company and reasonably acceptable to Executive, but containing no further post-employment restrictions or covenants other than those to which Executive is already subject hereunder, and the release becoming irrevocable by its terms within sixty (60) calendar days following the date of Executive's termination of employment; and (B) Executive's continued compliance with all continuing obligations under this Agreement, including but not limited to those set forth in Section 5. Executive shall not have any other rights or claims under this Agreement. For purposes of this Agreement, "Good Reason" shall mean the occurrence of one or more of the following events without Executive's prior written consent: (w) a material reduction in the Executive's Base Salary, (x) a material reduction in the Target Cash Bonus, (y) the Executive is no longer the most senior financial executive of the Company and/or reporting directly to the Chief Executive Officer, or (z) the Company requires the Executive to change Executive's principal location of work by more than 50 miles. No Good Reason shall exist unless Executive has provided notice of such circumstances giving rise to Good Reason in reasonable detail to the Company within 30 days following the occurrence of such circumstances and, to the extent such circumstances are susceptible to remedy, the Company has failed to remedy such circumstances within thirty (30) days of receiving such notice, and Executive shall have resigned within 30 days following expiration of such cure period. For the avoidance of doubt, in the event Executive becomes entitled to receive Severance Benefits, any such Severance Benefits that remain unpaid upon Executive's death shall be paid to Executive's estate.

- 7.3 VOLUNTARY TERMINATION BY EXECUTIVE. Executive may give written notice of Executive's resignation of employment at any time during this Agreement pursuant to Section 6, and thereafter, all obligations of the Company under this Agreement shall cease; provided the Company shall pay Executive the Accrued Obligations within thirty (30) days of the termination of Executive's employment or earlier as required by law. Executive is requested to provide sixty (60) days' written notice of Executive's resignation or as much time as reasonable under the circumstances. Company reserves the right to relieve Executive of Executive's duties at the Company's discretion following notice of Executive's intent to resign.
- 7.4 RETIREMENT. With respect to equity-based awards granted following the Effective Date, in the event that Executive retires voluntarily from ABM following reaching age 60 with a minimum of 10 years of service, Executive's then-outstanding equity-based awards under the Equity Plan (including any awards issued by an acquirer or successor to ABM in exchange or substitution for such awards) that were granted at least one year prior to such retirement will not be forfeited but will continue to be eligible for vesting, exercise and settlement, as applicable, on the originally scheduled vesting dates (and, for the avoidance of doubt with respect to performance-based awards, to the extent the applicable performance criteria originally set forth in such awards are met), subject to Executive's continued compliance with the covenants set forth in Section 5 hereof.
- 7.5 DEATH OR DISABILITY. Executive's employment hereunder shall automatically terminate upon the death of Executive and may be terminated at the Company's discretion as a result of Executive's Disability. "Disability" means Executive's substantial inability to perform Executive's essential duties and responsibilities under this Agreement for either 90 consecutive days or a total of 120 days out of 365 consecutive days as a result of a physical or mental illness, injury or impairment, all as determined in good faith by the Company. If Executive's employment is terminated by the Company due to Executive's death or Disability, then (i) Executive, or, upon death, to Executive's designated beneficiary or estate, as applicable, shall be eligible to receive (A) any earned but unpaid Cash Bonus in respect of

any completed fiscal year that has ended prior to the date of such termination and (B) a prorated Target Cash Bonus based on the length of performance in the applicable performance period prior to death or Disability and (ii) Executive's then-outstanding equity-based awards under the Equity Plan (including any awards issued by an acquirer or successor to ABM in exchange or substitution for such awards) (x) that are subject to time-based vesting will not be forfeited but will become immediately fully vested and (y) that are subject to performance-based vesting for then-ongoing performance periods shall immediately become fully vested with respect to the number of shares that would have become earned and vested if the target level of performance was met. In the case of Disability, Executive's eligibility to receive the foregoing is conditioned on: (i) Executive having first signed a release agreement in the form provided by the Company and reasonably acceptable to Executive, but containing no further post-employment restrictions or covenants other than those to which Executive is already subject hereunder, and the release becoming irrevocable by its terms within sixty (60) calendar days following the date of Executive's termination of employment; and (ii) Executive's continued compliance with all continuing obligations under this Agreement, including but not limited to those set forth in Section 5. Thereafter, Executive and Executive's designated beneficiary or estate, as applicable, shall not have any other rights or claims under this Agreement.

- 7.6 **TIMING OF PAYMENTS.** For the avoidance of doubt and without limiting the generality of Section 10.7, the parties intend that, except as expressly provided otherwise, any payments that become payable to Executive pursuant to Section 7.2 are intended to be exempt from, or compliant with, Section 409A of the Internal Revenue Code ("Section 409A"), and except as expressly provided otherwise shall be paid within the short-term deferral period within the meaning of Treasury Regulation section 1.409A-1(b)(4) to the extent required to be paid no later than March 15th of the calendar year following the calendar year in which Executive incurs a separation from service or shall be deemed to be paid under a "separation pay plan" within the meaning of Section 409A to the extent applicable. Any Cash Bonus or prorated Cash Bonus that becomes payable to Executive pursuant to Section 7.2(iii) shall be paid to Executive following the end of the applicable performance period when such payments are made to other participants and in accordance with the terms of the applicable plan or program, provided that in no event shall any such payment be made to Executive later than March 15th of the calendar year following the end of the performance year.
- 7.7 **PAYMENTS AND BENEFITS WITH RESPECT TO A CHANGE IN CONTROL.** Notwithstanding anything to the contrary in this Agreement or otherwise, if Executive's employment is terminated under circumstances qualifying Executive for payments under the Change-in-Control Agreement between Executive and ABM (or any successor or amendment to such agreement, as applicable, the "Change-in-Control Agreement"), Executive shall not be entitled to the Severance Benefits under this Agreement and, alternatively, Executive's entitlement to payments and benefits, if any, shall be governed by the terms of such Change-in-Control Agreement.
- 7.8 **EXCESS PARACHUTE PAYMENTS.** Notwithstanding any provision of this Agreement or any other agreement or plan to the contrary (including without limitation any lesser protection of Executive under any equity-based award agreement), if any amount or benefit to be paid or provided under this Agreement or any other agreement or plan would be an "excess parachute payment" under Section 280G of the Code (an "Excess Parachute Payment") (including after taking into account the value, to the maximum extent permitted by Section 280G of the Code, of the covenants herein), but for the application of this sentence, then the payments and benefits to be paid or provided under this Agreement and any other agreements and plans will be reduced to the minimum extent necessary (but in no event to less than zero)

so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; provided, however, that the foregoing reduction will not be made if such reduction would result in Executive receiving an amount determined on an after-tax basis, taking into account the excise tax imposed pursuant to Section 4999 of the Code, or any successor provision thereto, any tax imposed by any comparable provision of state law and any applicable federal, state and local income and employment taxes (the "After-Tax Amount") that is less than 90% of the After-Tax Amount of the payments and benefits that he would have received without regard to this clause. Whether requested by the Executive or the Company, the determination of whether any reduction in such payments or benefits to be provided under this Agreement or otherwise is required pursuant to the preceding sentence, and the value to be assigned to the Executive's covenants herein for purposes of determining the amount, if any, of the Excess Parachute Payment will be made at the expense of the Company by the Company's independent accountants or benefits consultant. The fact that the Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section will not of itself limit or otherwise affect any other rights of the Executive pursuant to this Agreement or any other agreement or plan. In the event that any payment or benefit intended to be provided is required to be reduced pursuant to this Section, then the Company shall in good faith determine the appropriate treatment of payments or benefits, consistent with the requirements of Section 409A that produces the most advantageous economic outcome for the Executive, and its determination shall be final and binding on the Executive. The Company will provide the Executive with all information reasonably required or requested by the Executive to demonstrate to the Executive that it has complied with the immediately preceding sentence.

7.9 **ACTIONS UPON TERMINATION.** Upon termination of Executive's employment for any reason, Executive shall be deemed to have immediately resigned as an officer and/or director of the Company and of any Company subsidiaries or affiliates, including any LLCs or joint ventures, as applicable. Further, if during employment Executive held any membership or position as a representative of the Company for any outside organization (such as BOMA, IREM, IFMA or BSCIA), or as a trustee for a union trust fund (such as a Taft-Hartley or similar fund), upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from such membership or position, or trustee position, and shall cooperate fully with the Company in any process whereby the Company designates a new representative to replace the position vacated by Executive. Executive also agrees that all property (including without limitation all equipment, tangible proprietary information, documents, records, notes, contracts and computer-generated materials) furnished to or created or prepared by Executive incident to Executive's employment with the Company belongs to the Company and shall be promptly returned to the Company upon termination of Executive's employment.

7.10 **WITHHOLDING AUTHORIZATION.** To the fullest extent permitted under the laws of the State of Employment hereunder, Executive authorizes Company to withhold from any Severance Benefits otherwise due to Executive and from any other funds held for Executive's benefit by Company, any undisputed damages or losses sustained by Company as a result of any material breach or other material violation of this Agreement by Executive, pending resolution of any underlying dispute.

8. NOTICES.

8.1 **ADDRESSES.** Any notice required or permitted to be given pursuant to this Agreement shall be in writing and delivered in person, or sent prepaid by certified mail, overnight express, or

electronically to the party named at the address set forth below or at such other address as either party may hereafter designate in writing to the other party:

Executive: Address on File

Company: ABM Industries Incorporated
1 Liberty Plaza, New York, NY 10006

Copy: ABM Industries Incorporated
1 Liberty Plaza, New York, NY 10006
Attention: Chief Human Resources Officer

8.2 RECEIPT. Any such notice shall be assumed to have been received when delivered in person or 48 hours after being sent in the manner specified above.

9. **INDEMNIFICATION.** The Company shall indemnify, defend, and hold Executive harmless to the fullest extent provided under the Company's Articles of Incorporation, Bylaws, or any other operating document. In addition, the Executive shall be included under the Company's Directors and Officers Liability Insurance Policy. For the avoidance of doubt, this Section 9 shall survive the termination of this Agreement.

10. GENERAL PROVISIONS.

10.1 GOVERNING LAW. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Employment, which, for purposes of this Agreement, shall mean the state of New York.

10.2 NO WAIVER. Failure by either party to enforce any term or condition of this Agreement at any time shall not preclude that party from enforcing that provision, or any other provision of this Agreement, at any later time.

10.3 SEVERABILITY. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permissible under the law and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of this Agreement would be held in any jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be either automatically deemed so narrowly drawn, or any court of competent jurisdiction is hereby expressly authorized to redraw it in that manner, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10.4 SURVIVAL. All terms and conditions of this Agreement which by reasonable implication are meant to survive the termination of this Agreement, including but not limited to the provisions of Sections 5.1 - 5.9 of this Agreement, shall remain in full force and effect after the termination of this Agreement.

10.5 SUCCESSORS. This Agreement is binding upon and shall inure to the benefit of the parties' respective successors, assigns, administrators and legal representatives and Executive's heirs and executors.

- 10.6 REPRESENTATIONS BY EXECUTIVE. Executive represents and agrees that Executive has carefully read and fully understands all of the provisions of this Agreement, that Executive is voluntarily entering into this Agreement and has been given an opportunity to review all aspects of this Agreement with an attorney, if Executive chooses to do so. Executive understands and agrees that Executive's employment with the Company is at-will and that nothing in this Agreement is intended to create a contract of employment for any fixed or definite term. Executive understands Executive is also now eligible for Severance Benefits to which Executive was not previously entitled and acknowledges the value of such benefits. Executive also represents that Executive will not make any unauthorized use of any confidential or proprietary information of any third party in the performance of Executive's duties under this Agreement and that Executive is under no obligation to any prior employer or other entity that would preclude or interfere with the full and good faith performance of Executive's obligations hereunder.
- 10.7 SECTION 409A. Without limiting the generality of Section 7.6, the parties intend for the payments and benefits under this Agreement to be exempt from Section 409A or, if not so exempt, to be paid or provided in a manner which complies with the requirements of such section, and intend that this Agreement shall be construed and administered in accordance with such intention. If any payments or benefits due to Executive hereunder would cause the application of an accelerated or additional tax under Section 409A, such payments or benefits shall be restructured in a mutually agreed upon manner that to the extent possible preserves the economic benefit and original intent thereof but does not cause such an accelerated or additional tax. For purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six (6) month period immediately following Executive's separation from service shall instead be paid on the first business day after the date that is six (6) months following Executive's termination date (or death, if earlier). In the event that any payment under this Agreement may be made in two calendar years, depending on the timing of execution of a release, such payment shall be made in the later calendar year, to the extent required by Section 409A. Notwithstanding anything to the contrary in this Agreement, all (A) reimbursements and (B) in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (x) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (y) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (z) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.
- 10.8 COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed as an original, but all of which together shall constitute one and the same instrument binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the same counterpart. This Agreement may be executed either by original, facsimile, or electronic copy, each of which will be equally binding.
- 10.9 ENTIRE AGREEMENT. Unless otherwise specified herein, this Agreement, together with Appendix A, sets forth every contract, understanding and arrangement as to the employment

relationship between Executive and the Company (other than the Change in Control Agreement and any equity award agreement under the Equity Plan; *provided* that in the event that this Agreement conflicts with the terms of any equity award agreement, this Agreement shall govern unless otherwise expressly stated in such equity award agreement).

10.9.a NO EXTERNAL EVIDENCE. The parties intend that this Agreement speak for itself, and that no evidence with respect to its terms and conditions other than this Agreement itself may be introduced in any arbitration or judicial proceeding to interpret or enforce this Agreement.

10.9.b AMENDMENTS. This Agreement may not be amended except in a writing signed by the Executive and an authorized representative of the Company.

IN WITNESS WHEREOF, Executive and Company have executed this Agreement as of the date set forth above.

Executive: D. Anthony Scaglione

Signature: /s/ D. Anthony Scaglione

Date: September 22, 2017

Company: ABM Industries Incorporated

Signature: /s/ David R. Goodes

Name, Title: David R. Goodes, Chief Human Resources Officer

Date: September 22, 2017

APPENDIX A

- A. **ASSIGNMENT.** Executive hereby assigns, and agrees to assign, to the Company, without additional compensation, Executive's entire right, title and interest in and to (a) all Creations, and (b) all benefits, privileges, causes of action and remedies relating to the Creations, whether before or hereafter accrued (including, without limitation, the exclusive rights to apply for and maintain all such registrations, renewals and/or extensions; to sue for all past, present or future infringements or other violations of any rights in the Creation; and to settle and retain proceeds from any such actions). As used herein, the term Creations includes, but is not limited to, creations, inventions, works of authorship, ideas, processes, technology, formulas, software programs, writings, designs, discoveries, modifications and improvements, whether or not patentable or reduced to practice and whether or not copyrightable, that relate in any manner to the actual or demonstrably anticipated business or research and development of the Company or its affiliates, and that are made, conceived or developed by Executive (either alone or jointly with others), or result from or are suggested by any work performed by Executive (either alone or jointly with others) for or on behalf of the Company or its affiliates: (i) during the period of Executive's employment with the Company, whether or not made, conceived or developed during regular business hours; or (ii) after termination of Executive's employment if based on Confidential Information. Executive agrees that all such Creations are the sole property of the Company or any other entity designated by it, and, to the maximum extent permitted by applicable law, any copyrightable Creation will be deemed a work made for hire. If the State of Employment is California, Executive UNDERSTANDS THAT THIS PARAGRAPH DOES NOT APPLY TO ANY CREATION WHICH QUALIFIES FULLY UNDER THE PROVISIONS OF SECTION 2870 OF THE LABOR CODE OF THE STATE OF CALIFORNIA, A COPY OF WHICH IS ATTACHED BELOW. Executive understands that nothing in this Agreement is intended to expand the scope of protection provided to Executive by Sections 2870 through 2872 of the California Labor Code.
- B. **DISCLOSURE.** Executive agrees to disclose promptly and fully to Executive's immediate supervisor at the Company, and to hold in confidence for the sole right, benefit and use of Company, any and all Creations made, conceived or developed by Executive (either alone or jointly with others) during Executive's employment with the Company, or within one (1) year after the termination of Executive's employment if based on Confidential Information. Such disclosure will be received and held in confidence by the Company. In addition, Executive agrees to keep and maintain adequate and current written records on the development of all Creations made, conceived or developed by Executive (either alone or jointly with others) during Executive's period of employment or during the one-year period following termination of Executive's employment, which records will be available to and remain the sole property of the Company at all times.
- C. **ASSIST WITH REGISTRATION.** Executive agrees that Executive will, at the Company's request, promptly execute a written assignment of title for any Creation required to be assigned by Section B. Executive further agrees to perform, during and after Executive's employment, all acts deemed necessary or desirable by the Company to assist it (at its expense) in obtaining and enforcing the full benefits, enjoyment, rights and title throughout the world in the Creation assigned to the Company pursuant to Section B. Such acts may include, but are not limited to, execution of documents and assistance or cooperation in legal proceedings. Should the Company be unable to secure Executive's signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Creation, whether due to Executive's mental or physical incapacity or any other cause, Executive hereby irrevocably designates and appoints the Company and each of its duly

authorized officers and agents as Executive's agent and attorney-in-fact, to undertake such acts in Executive's name as if executed and delivered by Executive, and Executive waives and quitclaims to the Company any and all claims of any nature whatsoever that Executive may not have or may later have for infringement of any intellectual property rights in the Creations. The Company will compensate Executive at a reasonable rate for time actually spent by Executive at the Company's request on such assistance at any time following termination of Executive's employment with the Company.

CALIFORNIA LABOR CODE
SECTION 2870-2872

2870. (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

1. Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
2. Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

2871. No employer shall require a provision made void and unenforceable by Section 2870 as a condition of employment or continued employment. Nothing in this article shall be construed to forbid or restrict the right of an employer to provide in contracts of employment for disclosure, provided that any such disclosures be received in confidence, of all of the employee's inventions made solely or jointly with others during the term of his or her employment, a review process by the employer to determine such issues as may arise, and for full title to certain patents and inventions to be in the United States, as required by contracts between the employer and the United States or any of its agencies.

2872. If an employment agreement entered into after January 1, 1980, contains a provision requiring the employee to assign or offer to assign any of his or her rights in any invention to his or her employer, the employer must also, at the time the agreement is made provide a written notification to the employee that the agreement does not apply to an invention which qualifies fully under the provisions of Section 2870. In any suit or action arising thereunder, the burden of proof shall be on the employee claiming the benefits of its provisions.

AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT

This Amended and Restated Change in Control Agreement (this “Agreement”), effective as of November 1, 2017 is made between ABM Industries Incorporated, a Delaware corporation (the “Company”) and the individual executing this Agreement as the Executive on the signature page (the “Executive”). This Agreement amends and restates the Change in Control Agreement dated effective as of April 6, 2015 and supersedes any other prior Change in Control Agreement between Executive and the Company.

RECITALS

A. The Executive is a senior executive of the Company and has made and is expected to continue to make major contributions to the short- and long-term profitability, growth and financial strength of the Company;

B. The Company recognizes that the possibility of a Change in Control, as hereinafter defined, exists and that such possibility, and the uncertainty it may create among management, may result in the distraction or departure of management personnel, to the detriment of the Company and its stockholders, including a reduction of the value received by stockholders in a Change in Control transaction;

C. The Company desires to assure itself of both present and future continuity of management and to establish fixed severance benefits for certain of its senior executives, including the Executive, applicable in the event of a Change in Control; and

D. The Company desires to provide additional inducement for the Executive to continue to remain in the employ of the Company. Accordingly, the Company and the Executive agree as follows:

1. Certain Defined Terms. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) “After-Tax Amount” means the amount to be received by an Executive determined on an after-tax basis taking into account the excise tax imposed pursuant to Section 4999 of the Code, any tax imposed by any comparable provision of state law and any applicable federal, state and local income and employment taxes.

(b) “Base Pay” means the Executive’s annual base salary rate as in effect at the time a determination is required to be made under Section 4.

(c) “Board” means the Board of Directors of the Company; any action of the Board herein contemplated will be valid if adopted by a majority of the total number of directors then in office or a majority of the Incumbent Directors and, for purposes of interpreting, amending or waiving any portion of this Agreement, may be adopted by a majority of the Incumbent Directors by written action, whether or not unanimous, or may be delegated by specific action of the Board of Directors after the date hereof to any directorate committee comprised solely of Incumbent Directors who are also Independent Directors.

(d) “Cause” shall mean, with respect to the Executive: (i) the willful and continued failure to substantially perform the Executive’s duties and responsibilities for reasons other than death or

disability, after a written demand for substantial performance is delivered to him/her by the Company which specifically identifies the manner in which the Company believes that the Executive has not substantially performed the Executive's duties; (ii) the Executive's conviction (or entry of a plea bargain admitting criminal guilt) of any felony or a misdemeanor involving moral turpitude; (iii) intentional breach by the Executive of his/her fiduciary obligations to the Company or any securities laws applicable to the Company for which Executive has direct responsibility and of which he was not acting under instructions of the Board or under the belief, based on advice of Company counsel, that his conduct was appropriate; or (iv) intentional wrongful engagement by the Executive in any Competitive Activity; and, for purposes of this subsection (iv), any such act shall have been demonstrably and materially harmful to the Company. For purposes of this Agreement, no act or failure to act on the part of the Executive will be deemed "intentional" if it was due primarily to an error in judgment or negligence, but will be deemed "intentional" only if done or omitted to be done by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Company. No Cause shall exist until the Company has given Executive written notice describing the circumstances giving rise to Cause in reasonable detail and, to the extent such circumstances are susceptible to remedy, Executive has failed to remedy such circumstances within fifteen (15) days of receiving such notice.

(e) "Change in Control" means that any of the following events occurs; *provided* that the occurrence of such event constitutes a "change in effective ownership or control" of the Company, as defined in Section 409A:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") (A) is or becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 35% of the combined voting power of the then-outstanding Voting Stock of the Company or succeeds in having nominees as directors elected in an "election contest" within the meaning of Rule 14a-12(c) under the Exchange Act and (B) within 18 months after either such event, individuals who were members of the Board immediately prior to either such event cease to constitute a majority of the members of the Board; or

(ii) a majority of the Board ceases to be comprised of Incumbent Directors; or

(iii) the consummation of a reorganization, merger, consolidation, plan of liquidation or dissolution, recapitalization or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of the stock or assets of another corporation, or other transaction (each, a "Business Transaction"), unless, in any such case, (A) no Person (other than the Company, any entity resulting from such Business Transaction or any employee benefit plan (or related trust) sponsored or maintained by the Company, any Subsidiary or such entity resulting from such Business Transaction) beneficially owns, directly or indirectly, 35% or more of the combined voting power of the then-outstanding shares of Voting Stock of the entity resulting from such Business Transaction (or, if it is such resulting entity, the Company) and (B) at least one-half of the members of the board of directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement providing for such Business Transaction.

(f) "Code" means the Internal Revenue Code of 1986, as amended.

(g) "Competitive Activity" means the Executive's participation, without the written consent signed by an officer of the Company and authorized by the Board, in the management of any business enterprise if (i) such enterprise engages in substantial and direct competition with the Company and such enterprise's sales of any product or service competitive with any product or service of the Company

amounted to 10% of such enterprise's net sales for its most recently completed fiscal year and if the Company's net sales of said product or service amounted to 10% of the Company's net sales for its most recently completed fiscal year or (ii) the primary business done or intended to be done by such enterprise is in direct competition with the business of providing facility services in any geographic market in which the Company operates. "Competitive Activity" will not include the mere ownership of securities in any such enterprise and the exercise of rights appurtenant thereto, if such ownership is less than 5% of the outstanding voting securities or units of such enterprise.

(h) "Employee Benefits" means the benefits and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs or arrangements in which the Executive is entitled to participate, including without limitation any stock option, performance share, performance unit, stock purchase, stock appreciation, savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, deferred compensation, incentive compensation, group or other life, health, medical/hospital or other insurance (whether funded by actual insurance or self-insured by the Company or a Subsidiary), disability, salary continuation, expense reimbursement and other employee benefit policies, plans, programs or arrangements that may now exist or any equivalent successor policies, plans, programs or arrangements that may be adopted hereafter by the Company or a Subsidiary, providing benefits and service credit for benefits at least as great in the aggregate as are payable thereunder immediately prior to a Change in Control.

(i) "ERISA" means the Employee Retirement Income Security Act of 1976, as amended

(j) "Excess Parachute Payment" means a payment that creates an obligation for Executive to pay excise taxes under Section 280G of the Code.

(k) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(l) "Good Reason" means the occurrence of one or more of the following events, without the Executive's prior written consent:

(i) Failure to elect or reelect or otherwise to maintain the Executive in the office or the position he had with the Company immediately prior to a Change in Control, or a substantially equivalent or better office or position than that which he had with the Company immediately prior to the Change in Control, in either such case with the Company, any legal successor to the Company or, if the Company merges with or into another entity with substantial operations, with respect to the business of the Company and its Subsidiaries substantially as conducted immediately prior to the Change in Control;

(ii) Failure of the Company to remedy any of the following within 30 calendar days after receipt by the Company of written notice thereof from the Executive: (A) a significant adverse change in the nature or scope of the authorities, powers or functions attached to the position with the Company which the Executive held immediately prior to the Change in Control; (B) a material reduction in the Executive's Base Pay, (C) a material reduction in the Executive's Incentive Pay Opportunity or Incentive Pay Target, or (D) the termination or denial of the Executive's rights to material Employee Benefits or a material reduction in the scope or value thereof, unless such termination or reduction referred to in clauses (B), (C) or (D) applies on a substantially similar basis to all executives of the Company and its parent entities or such right is replaced with a right with a substantially similar scope or value;

(iii) The Company requires the Executive to change Executive's principal location of work by more than 35 miles;

(iv) In the event of the transfer of all or substantially all of the Company's business and/or assets, the failure of the successor or successors to which all or substantially all of its business and/or assets have been transferred to assume (by operation of law, agreement or otherwise) pursuant to Section 12 hereof all duties and obligations of the Company under this Agreement; or

(v) Without limiting the generality or effect of the foregoing, any material breach of this Agreement or any Other Employment Agreement (as defined below) by the Company or any successor thereto which is not remedied by the Company within 10 calendar days after receipt by the Company of written notice from the Executive of such breach.

A termination of employment by the Executive for one of the reasons set forth in clauses (i) - (iv) above, will not constitute "Good Reason" unless, within the 60-day period immediately following the occurrence of such Good Reason event, the Executive has given written notice to the Company specifying in reasonable detail the event or events relied upon for such termination and the Company has not remedied such event or events within 30 days of the receipt of such notice, and the Executive terminates employment within the 90-day period thereafter (and, in any event, during the Severance Period). The Company and the Executive may mutually waive in writing any of the foregoing provisions with respect to an event or events that otherwise would constitute Good Reason.

(m) "Incumbent Directors" means the individuals who, as of the date hereof, are Directors of the Company and any individual becoming a Director subsequent to the date hereof whose election, nomination for election by the Company's shareholders or appointment was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination); *provided, however*, that an individual shall not be an Incumbent Director if such individual's election or appointment to the Board occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(n) "Incentive Pay" means compensation in addition to Base Pay determined by reference to one or more performance measures, whether payable in cash, securities or otherwise.

(o) "Incentive Pay Opportunity" means the maximum amount of Incentive Pay that the Executive would receive pursuant to any Incentive Pay Plan in existence immediately prior to a Change in Control (disregarding the effects of the Change in Control, including without limitation increased depreciation or amortization, financing expense and transaction costs), assuming satisfaction of all thresholds or other conditions thereto established (i) prior to the Change in Control or (ii) after the Change in Control either (A) with the Executive's specific prior written approval or (B) by action of a committee of the Board comprised solely of Independent Directors.

(p) "Incentive Pay Plan" means any plan, program, agreement or arrangement (excluding employee stock options, restricted stock or other rights the value of which is determined solely by reference to the value of the Company's common stock).

(q) "Incentive Pay Target" means the amount or value of Incentive Pay the Executive would have received assuming that the Incentive Pay Plans in effect immediately prior to the

Change in Control continue unchanged and are satisfied at the target level and, if applicable, any conditions to entitlement to payment at the target level thereunder that are not measured by the Company's results of operation are satisfied at the target level.

(r) "Independent Directors" means directors who qualify as "independent" directors under then-applicable New York Stock Exchange rules applicable to compensation committees (whether or not the Company's securities continue to be listed for trading thereon).

(s) "Other Agreement" means an agreement, contract or understanding (including any option or equity plan or agreement) other than this Agreement, heretofore or hereafter entered into by the Executive with the Company or any Subsidiary.

(t) "Retirement Plans" means the benefit plans of the Company that are intended to be qualified under Section 401(a) of the Code and any supplemental executive retirement benefit plan or any other plan that is a successor thereto as such Retirement Plans were in effect immediately prior to the Change in Control and if the Executive was a participant in such Retirement Plan immediately prior to the Change in Control.

(u) "Section 162(m)" means Section 162(m) of the Code.

(v) "Section 409A" means Section 409A of the Code.

(w) "Severance Period" means the period of time commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i) the second anniversary of the occurrence of the Change in Control and (ii) the Executive's death.

(x) "Subsidiary" means an entity in which the Company directly or indirectly beneficially owns 50% or more of the outstanding Voting Stock.

(y) "Termination Date" means the date on which the Executive's employment is terminated (the effective date of which will be the date of termination, or such other date that may be specified by the Executive if the termination is pursuant to Section 3(b)).

(z) "Voting Stock" means securities entitled to vote generally in the election of directors.

(aa) "Welfare Benefits" means Employee Benefits that are provided under any "welfare plan" (within the meaning of Section 3(1) of ERISA) of the Company, and fringe benefits and other perquisites of employment, such as car allowances, club dues, financial planning and product discounts.

2. Operation of Agreement. This Agreement will be effective and binding immediately upon its execution, but, anything in this Agreement to the contrary notwithstanding, this Agreement will not be operative unless and until a Change in Control occurs. Upon the occurrence of a Change in Control, without further action, this Agreement will become immediately operative until the end of the Severance Period; *provided* that if, prior to a Change in Control, the Executive ceases for any reason to be a full-time employee of the Company, thereupon without further action this Agreement will immediately terminate and be of no further effect.

3. Termination Following a Change in Control. (a) In the event of the occurrence of a Change in Control, the Executive's employment may be terminated by the Company during the Severance Period

and the Executive will be entitled to the benefits provided by Section 4 unless such termination is the result of the occurrence of one or more of the following events:

(i) the Executive's death;

(ii) if the Executive becomes permanently disabled within the meaning of, and begins actually to receive disability benefits pursuant to, the long-term disability plan in effect for, or applicable to, the Executive immediately prior to the Change in Control; or

(iii) Cause. (a) If, during the Severance Period, the Executive's employment is terminated by the Company other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), the Executive will be entitled to the benefits provided by Section 4; *provided* that such termination constitutes a "separation from service" as defined in Section 409A.

(b) In the event of the occurrence of a Change in Control, the Executive may terminate employment with the Company for Good Reason, with the right to severance compensation as provided in Section 4, regardless of whether any other reason, other than Cause, for such termination exists or has occurred, including without limitation other employment.

(c) Nothing in this Agreement will (i) be construed as creating an express or implied contract of employment, changing the status of Executive as an employee at will, giving Executive any right to be retained in the employ of the Company, or giving Executive the right to any particular level of compensation or benefits or (ii) interfere in any way with the right of the Company to terminate the employment of the Executive at any time with or without Cause, subject in either case to the obligations of the Company under this Agreement.

4. Severance Compensation. (a) If, following the occurrence of a Change in Control, the Company terminates the Executive's employment during the Severance Period other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), or if the Executive terminates Executive's employment pursuant to Section 3(b) (any such termination, a "Triggering Termination"), then, *provided* that such Triggering Termination constitutes a "separation from service" as defined in Section 409A, the Company will pay to the Executive the amounts described in Annex A within fifteen business days after the Termination Date (subject to the provisions of subsection (d) of this Section).

(b) Without limiting the rights of the Executive at law or in equity, if the Company fails to make any payment or provide any benefit required to be made or provided hereunder on a timely basis, the Company will pay interest on the amount or value thereof at an annualized rate of interest equal to the "prime rate" as set forth from time to time during the relevant period in The Wall Street Journal "Money Rates" column, plus 200 basis points, compounded monthly, or, if less, the maximum rate legally allowed. Such interest will be payable as it accrues on demand. Any change in such prime rate will be effective on and as of the date of such change.

(c) Unless otherwise expressly provided by the applicable plan, program or agreement, after the occurrence of a Change in Control, the Company will pay in cash to the Executive a lump sum amount equal to the sum of (i) any unpaid Incentive Pay that has been earned, accrued, allocated or awarded to the Executive for any performance period that by its terms as in effect prior to a Triggering Termination has been completed (any such period, a "Completed Performance Period") (regardless of whether payment of such compensation would otherwise be contingent on the continuing performance of services by the Executive) and (ii) the Pro Rata Portion of the Incentive Pay Target in effect for any subsequent performance period. For this purpose, "Pro Rata Portion" means (x) the number of days from and including

the first day immediately following the last day of the immediately preceding Completed Performance Period to and including the Termination Date, divided by (y) the total number of days in such subsequent performance period. Such payments will be made at the earlier of (x) the date prescribed for payment pursuant to the applicable plan, program or agreement and (y) within five business days after the Termination Date, and will be payable and calculated disregarding any otherwise applicable vesting requirements.

(d) To the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Executive's termination of employment shall instead be paid on the first business day after the date that is six months following the Executive's termination of employment (or upon the Executive's death, if earlier). In addition, for purposes of this Agreement, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Section 409A, and any payments described in Annex A that are due within the "short-term deferral period" as defined in Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise.

5. Limitations on Payments and Benefits. Notwithstanding any provision of this Agreement or any Other Agreement to the contrary (including without limitation any lesser protection of Executive under any equity-based award agreement), if any amount or benefit to be paid or provided under this Agreement or any Other Agreement would be an Excess Parachute Payment (including after taking into account the value, to the maximum extent permitted by Section 280G of the Code, of the covenants in Section 9 hereof), but for the application of this sentence, then the payments and benefits to be paid or provided under this Agreement and any Other Agreement will be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; *provided, however*, that the foregoing reduction will not be made if such reduction would result in Executive receiving an After-Tax Amount that is less than 90% of the After-Tax Amount of the payments and benefits that he or she would have received under Section 4 or under any Other Agreement without regard to this clause. Whether requested by the Executive or the Company, the determination of whether any reduction in such payments or benefits to be provided under this Agreement or otherwise is required pursuant to the preceding sentence, and the value to be assigned to the Executive's covenants in Section 9 hereof for purposes of determining the amount, if any, of the Excess Parachute Payment will be made at the expense of the Company by the Company's independent accountants or benefits consultant. The fact that the Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 5 will not of itself limit or otherwise affect any other rights of the Executive pursuant to this Agreement or any Other Agreement. In the event that any payment or benefit intended to be provided is required to be reduced pursuant to this Section 5, then the Company shall in good faith determine the appropriate treatment of payments or benefits, consistent with the requirements of Section 409A that produces the most advantageous economic outcome for the Executive, and its determination shall be final and binding on the Executive. The Company will provide the Executive with all information reasonably required or requested by the Executive to demonstrate to the Executive that it has complied with the immediately preceding sentence.

6. Executive Protections; Defend Trade Secrets Act. (a) Nothing in this Agreement or otherwise limits Executive's ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission (the "SEC"), or any other federal, state or local governmental agency or commission or self-regulatory organization (each such agency, commission or organization, a "Government Agency") regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against Executive for any of these activities, and nothing in this Agreement requires Executive to waive any monetary award or other relief that Executive might become entitled to from the SEC or any other Government Agency.

(b) Pursuant to the Defend Trade Secrets Act of 2016, Executive and the Company acknowledge and agree that Executive shall not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition and without limiting the preceding sentence, if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and may use the trade secret information in the court proceeding, if Executive (X) files any document containing the trade secret under seal and (Y) does not disclose the trade secret, except pursuant to court order.

7. No Mitigation Obligation; Other Agreements. (a) The Company hereby acknowledges that it will be difficult and may be impossible for the Executive to find reasonably comparable employment following the Termination Date. Accordingly, the payment of the severance compensation by the Company to the Executive in accordance with the terms of this Agreement is hereby acknowledged by the Company to be reasonable, and the Executive will not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor will any profits, income, earnings or other benefits from any source whatsoever create any mitigation, offset, reduction or any other obligation on the part of the Executive hereunder or otherwise.

(b) A termination of employment pursuant to Section 3 will not affect any rights that the Executive may have pursuant to any agreement, policy, plan, program or arrangement of the Company or Subsidiary providing Employee Benefits, which rights will be governed by the terms thereof. To the extent that the Executive receives payments by reason of his or her termination of employment pursuant to any other employment or severance agreement or employee plan (collectively, "Other Employment Agreements"), the amounts otherwise receivable under Section 4 will be reduced by the amounts actually paid pursuant to the Other Employment Agreements, but not below zero, to avoid duplication of payments so that the total amount payable or value of benefits receivable hereunder and under the Other Employment Agreements is not less than the amounts so payable or value so receivable had such benefits been paid in full hereunder. In the event that this Agreement conflicts with the terms of any equity award agreement, this Agreement shall govern unless otherwise expressly stated in such equity award agreement.

8. Legal Fees and Expenses. It is the intent of the Company that the Executive not be required to incur legal fees and the related expenses associated with the interpretation, enforcement or defense of Executive's rights in connection with any dispute arising under this Agreement because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Executive hereunder. Accordingly, if it should appear to the Executive that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any proceeding designed to deny, or to recover from, the Executive the benefits provided or intended to be provided to the Executive hereunder, the Company irrevocably authorizes the Executive from time to time to retain counsel of Executive's choice, at the expense of the Company as hereafter provided, to advise and represent the Executive in connection with any such dispute or proceeding. Without respect to whether the Executive prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all reasonable attorneys' and related fees and expenses incurred by the Executive in connection with any of the foregoing; *provided* that, in regard to such matters, the Executive has not acted in bad faith or with no colorable claim of success. The Executive shall promptly submit a written request for reimbursement of such expenses, but in no event later than ninety days following the date on which such expenses were incurred, accompanied by such evidence of fees and expenses incurred as the Company may

reasonably require, and such reimbursements will be made within thirty business days after delivery of the Executive's written requests for payment. For the avoidance of doubt, (i) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement provided to Executive in any other calendar year; (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; and (iii) the right to payment or reimbursement may not be liquidated or exchanged for any other benefit.

9. Competitive Activity; Confidentiality; Nonsolicitation. (a) For the period following the Termination Date specified in Paragraph 4 of Annex A (the "Non-Competition Period"), subject to the Executive's receipt of benefits under Section 4, the Executive will not, without the prior written consent of the Company, which consent will not be unreasonably withheld, engage in any Competitive Activity.

(b) The Company agrees that it will disclose to Executive its confidential or proprietary information (as defined in this Section (b)) to the extent necessary for Executive to carry out Executive's obligations to the Company. The Executive hereby covenants and agrees that, subject to Section 6(a), Executive will not, without the prior written consent of the Company, during the term of his employment with the Company and two years after the Termination Date disclose to any person not employed by the Company, or use in connection with engaging in competition with the Company, any confidential or proprietary information of the Company. For purposes of this Agreement, the term "confidential or proprietary information" will include all information of any nature and in any form that is owned by the Company and that is not publicly available (other than by Executive's breach of this Section 9(b)) or generally known to persons engaged in businesses similar or related to those of the Company. Confidential or proprietary information will include, without limitation, the Company's financial matters, customers, employees, industry contracts, strategic business plans, product development (or other proprietary product data), marketing plans, and all other secrets and all other information of a confidential or proprietary nature. For purposes of the preceding two sentences, the term "Company" will also include any Subsidiary (collectively, the "Restricted Group"). The obligations imposed by this Section 9(b) will be subject to Section 6(a) and will not apply (i) during the term of his employment with the Company, in the course of the business of and for the benefit of the Company and (ii) if such confidential or proprietary information has become, through no fault of the Executive, generally known to the public.

(c) The Executive hereby covenants and agrees that, for a period ending one year after the Termination Date, Executive will not, without the prior written consent of the Company, which consent will not unreasonably be withheld as to Executive's personal assistant, on behalf of Executive or on behalf of any person, firm or company, directly or indirectly, attempt to influence, persuade or induce, or assist any other person in so persuading or inducing, any employee of the Restricted Group to give up, or to not commence, employment or a business relationship with the Restricted Group.

(d) Executive and the Company agree that the covenants contained in this Section 9 are reasonable under the circumstances and subject to the provisions of Section 15 of this Agreement. Executive acknowledges and agrees that the remedy at law available to the Company for breach of any of Executive's obligations under this Section 9 would be inadequate and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms. Accordingly, Executive acknowledges, consents and agrees that, in addition to any other rights or remedies that the Company may have at law, in equity or under this Agreement, upon adequate proof of Executive's violation of any such provision of this Agreement, the Company will be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach, without the necessity of proof of actual damage.

10. Employment Rights. Nothing expressed or implied in this Agreement will create any right or duty on the part of the Company or the Executive to have the Executive remain in the employment of the Company or any Subsidiary prior to or following any Change in Control.

11. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any applicable law, regulation or ruling.

12. Successors and Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance reasonably satisfactory to the Executive (to the extent not assumed by operation of law), expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b). Without limiting the generality or effect of the foregoing, the Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 12(c), the Company will have no liability to pay any amount so attempted to be assigned, transferred or delegated.

13. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as FedEx or UPS, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to the Executive at Executive's principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the substantive laws of the State of Delaware and federal law, without giving effect to the principles of conflict of laws of such State, except as expressly provided herein. In the event the Company exercises its discretion under Section 9(d) to bring an action to enforce the covenants contained in Section 9 in a court of competent jurisdiction where the Executive has breached or threatened to breach such covenants, and in no other event, the parties agree that the court may

apply the law of the jurisdiction in which such action is pending in order to enforce the covenants to the fullest extent permissible.

15. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, including without limitation Section 9, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal. If any covenant in Section 9 should be deemed invalid, illegal or unenforceable because its time, geographical area, or restricted activity, is considered excessive, such covenant will be modified to the minimum extent necessary to render the modified covenant valid, legal and enforceable.

16. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. The headings used in this Agreement are intended for convenience or reference only and will not in any manner amplify, limit, modify or otherwise be used in the construction or interpretation of any provision of this Agreement. References to Sections are to Sections of this Agreement. References to Paragraphs are to Paragraphs of an Annex to this Agreement. Any reference in this Agreement to a provision of a statute, rule or regulation will also include any successor provision thereto.

17. Survival. Notwithstanding any provision of this Agreement to the contrary, the parties' respective rights and obligations under Sections 3(c), 4, 5, 6, 7, 8, 9, 10, 11, 12(b), 17 and 19 will survive any termination or expiration of this Agreement or the termination of the Executive's employment following a Change in Control for any reason whatsoever.

18. Beneficiaries. The Executive will be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following the Executive's death, and may change such election, in either case by giving the Company written notice thereof in accordance with Section 13. In the event of the Executive's death or a judicial determination of the Executive's incompetence, reference in this Agreement to the "Executive" will be deemed, where appropriate, to the Executive's beneficiary, estate or other legal representative.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same agreement.

20. Section 409A. To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A. This Agreement will be administered in a manner consistent with this intent, and any provision that would cause the Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply with Section 409A (which amendment may be retroactive to the extent permitted by Section 409A and may be made by the Company without the consent of the Executive).

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

Executive: D. Anthony Scaglione

Signature: /s/ D. Anthony Scaglione

Date: September 22, 2017

Company: ABM Industries Incorporated

Signature: /s/ David R. Goodes

Name, Title: David R. Goodes, Chief Human Resources Officer

Date: September 22, 2017

SEVERANCE COMPENSATION, ETC.

- (1) A lump sum payment in an amount equal to two and one-half (2.5) times the sum of (A) Base Pay (at the rate in effect for the year in which the Termination Date occurs), plus (B) Incentive Pay Target (or, if the Incentive Pay Target shall not have been established or shall be reduced after a Change in Control, the highest aggregate Incentive Pay Target as in effect for any of the three fiscal years immediately preceding the year in which the Change in Control occurred).
- (2) Executive's then-outstanding equity-based awards under the Equity Plan (including any awards issued by an acquirer or successor to the Company in exchange or substitution for such awards) will not be forfeited but will become fully vested; *provided* that any performance awards with respect to then-ongoing performance periods shall be vested with respect to the number of shares that would have become earned and vested if the target level of performance was met.
- (3) In lieu of providing any continuation of Welfare Benefits to the Executive and his or her dependents following the Termination Date (*it being understood* that this is not intended to supersede any right of the Executive and his or her dependents to COBRA continuation following the Termination Date), a lump sum payment in an amount equal to the present value of such Welfare Benefits, if such Welfare Benefits were provided for a period of 18 months following the Termination Date. For purposes of the immediately preceding sentence, the value of such Welfare Benefits shall be measured immediately prior to the Termination Date; *provided* that, to the extent applicable for purposes of calculating service or age to determine the value of such Welfare Benefits, assuming that the Executive had remained actively employed on a full-time basis for a period of 18 months following the Termination Date).
- (4) The Non-Competition Period contemplated by Section 9(a) will be 12 months from the Termination Date.

**SUBSIDIARIES OF ABM INDUSTRIES INCORPORATED
AS OF OCTOBER 31, 2017**

Company	Where Incorporated or Organized
ABM INDUSTRIES INCORPORATED	Delaware
(*)ABM Aviation, Inc.	Georgia
Omni Serv Limited	England
Air Serv Middle East Hospitality Services LLC	UAE
OFJ Connections	England
OFJ Airlinks Limited	England
ABM International (Holdings) B.V.	Holland
IFM Capital Ltd.	Bermuda
ABM Group UK Limited	England
ABM Facility Services UK Limited	England
ABM Facility Services Scotland Limited	England
Eclipse Contract Cleaning Limited	Scotland
GBM Services (Civic) Limited	England
BRBIBR Limited	England
ABM Critical Solutions Limited	England
Westway Services Holdings (2014) Ltd.	England
Westway Services Holdings (2010) Ltd.	England
Westway Services Limited	England
ABM Onsite Services - Canada ULC	Canada
ABM General Services, Inc.	Delaware
ABM Healthcare Support Services, Inc.	Michigan
ABM Industrial Services, Inc.	Delaware
ABM Industry Groups, LLC	Delaware
ABM Security Services, Inc.	California
ABM Texas General Services, Inc.	Delaware
OneSource Facility Services, Inc.	Delaware
ABM Building & Energy Solutions, LLC	Delaware
ABM Building Services, LLC	Delaware
ABM Building Solutions, LLC	Delaware
Mechanical Solutions, Inc.	Texas
ABM Electrical Network, Inc.	Delaware
ABM Electrical Power Services, LLC	Delaware
ABM Electrical Power Solutions, LLC	Delaware
ABM Electrical & Lighting Solutions, Inc.	Delaware
ABM Electrical & Lighting Services, LLC	Delaware
ABM Facility Support Services, LLC	Delaware
RenewEnergy Solutions, LLC	Delaware
ABM Franchising Group, LLC	Delaware
GreenHomes America, LLC	Delaware
Grade Sub Two, LLC	Delaware
GCA Services Group, Inc.	Delaware
Associated Facility Management, LLC	Nevada

GCA Cleaning Specialties, LP	Texas
GCA Services Group Mountain States, LP	Texas
GCA Services Group of Texas, LP	Texas
Associated Facility Ventures, LLC	Nevada
GCA Education Services, Inc.	Tennessee
GCA Education Services Central States, Inc.	Illinois
GCA Education Services of New England, Inc.	Delaware
GCA Facility Operations Maintenance Services, Inc.	Delaware
GCA K12 Education Services, Inc.	Texas
GCA Nuclear Facility Services, Inc.	Texas
GCA Plumbing Services, Inc.	Delaware
GCA Production Services, Inc.	Delaware
GCA Services, Inc.	Delaware
GCA Services Group of California, Inc.	California
GCA Services Group of Colorado, Inc.	Colorado
GCA Services Group of North Carolina, Inc.	North Carolina
GCA Services Group of Northwestern States, Inc.	Washington
GCA Specialty Services LLC	Florida
GCA Staffing Services, Inc.	Delaware
National Building Maintenance Corp.	Delaware
GCA Commercial Services of Midwest, LLC	Delaware
GCA Education Services of Midwest, LLC	Delaware
GCA Energy Services, LLC	Delaware
GCA International Management Services, LLC	Delaware
IFM Assurance Company	New York

*Subsidiary relationship to Company or to subsidiary parents shown by progressive indentation.

Consent of Independent Registered Public Accounting Firm

The Board of Directors
ABM Industries Incorporated:

We consent to the incorporation by reference in the registration statements listed below of ABM Industries Incorporated of our report, dated December 21, 2017, with respect to the consolidated balance sheets of ABM Industries Incorporated as of October 31, 2017 and 2016, and the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended October 31, 2017, and the related financial statement Schedule II, and the effectiveness of internal control over financial reporting as of October 31, 2017, which report appears in the October 31, 2017 annual report on Form 10-K of ABM Industries Incorporated.

Our report dated December 21, 2017, on the effectiveness of internal control over the financial reporting as of October 31, 2017, contains an explanatory paragraph that states the Company acquired Mechanical Solutions, Inc. ("MSI") on December 1, 2016, OFJ Connections LTD ("OFJ") on December 1, 2016, and GCA Holding Corp., the indirect parent company of GCA Services Group ("GCA") on September 1, 2017. Management excluded these three businesses from its assessment of the effectiveness of the Company's internal control over financial reporting as of October 31, 2017. MSI, OFJ, and GCA represented approximately 5% of the Company's total consolidated assets (excluding goodwill and intangibles which are included within the scope of the assessment) and 4% of total consolidated revenues, as of and for the year ended October 31, 2017. Our audit of internal control over financial reporting of ABM Industries Incorporated and subsidiaries also excluded an evaluation of the internal control over financial reporting of MSI, OFJ, and GCA.

Registration No.	Form	Plan
333-167464	S-8	2004 Employee Stock Purchase Plan
333-78423	S-8	"Age-Vested" Career Stock Option Plan
333-78421	S-8	"Time-Vested" Incentive Stock Option Plan
333-48857	S-8	1996 Price Vested Performance Stock Option Plan
333-85390	S-8	2002 Price Vested Performance Stock Option Plan
333-116487	S-8	2004 Employee Stock Purchase Plan
333-137241	S-8	2006 Equity Incentive Plan
333-159770	S-8	2006 Equity Incentive Plan
333-179991	S-8	2006 Equity Incentive Plan
333-202521	S-8	2006 Equity Incentive Plan
333-211991	S-8	2004 Employee Stock Purchase Plan

/s/ KPMG LLP

New York, New York
December 22, 2017

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT OF 1934
RULE 13a-14(a) OR 15d-14(a)**

I, Scott Salmirs, certify that:

1. I have reviewed this Annual Report on Form 10-K of ABM Industries Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

December 22, 2017

/s/ Scott Salmirs

Scott Salmirs
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT OF 1934
RULE 13a-14(a) OR 15d-14(a)**

I, D. Anthony Scaglione, certify that:

1. I have reviewed this Annual Report on Form 10-K of ABM Industries Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

December 22, 2017

/s/ D. Anthony Scaglione

D. Anthony Scaglione
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATIONS PURSUANT TO SECURITIES EXCHANGE ACT OF 1934
RULE 13a-14(b) OR 15d-14(b) AND
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of ABM Industries Incorporated (the "Company") for the year ended October 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Scott Salmirs, Chief Executive Officer of the Company, and D. Anthony Scaglione, Chief Financial Officer of the Company, each certifies for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

December 22, 2017

/s/ Scott Salmirs

Scott Salmirs
Chief Executive Officer
(Principal Executive Officer)

December 22, 2017

/s/ D. Anthony Scaglione

D. Anthony Scaglione
Chief Financial Officer
(Principal Financial Officer)