

## Corporate Governance Principles

As Amended June 7, 2017

These Corporate Governance Principles have been adopted by the Board of Directors of ABM Industries Incorporated (“ABM” or the “Company”). The principles, in conjunction with our Restated Certificate of Incorporation, By-Laws and Board Committee charters, form the framework for governance of the Company.

### A. BOARD COMPOSITION AND STRUCTURE

- 1. Chairman and Chief Executive Officer.** The positions of the Chairman of the Board and the Chief Executive Officer of ABM are currently held by different people. This practice has served ABM well over a number of years. The Board recognizes that good governance is not tied to any one practice and that the best practice is often determined by facts and circumstances that may change from time to time.
- 2. Size of the Board.** The Board periodically reviews the appropriate size of the Board. Generally the Board believes that it should have no fewer than eight or more than twelve members and the Company’s Bylaws reflect that range.
- 3. Independent Directors.** The Board must have a majority of independent directors. Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that might affect independence, the Board is also responsible to determine affirmatively that each independent director has no other material relationships with ABM or with any executive officer of ABM. A relationship will be considered “material” if, in the judgment of the Board, it would interfere with a director’s independent judgment. A director who does not comply with the independent director requirements under the New York Stock Exchange Listing Standards and related rules cannot be considered independent.
- 4. Board Membership Criteria.** The Governance Committee of the Board is responsible for reviewing with the Board the requisite skills and characteristics of new Board candidates in the context of the current composition of the Board. This assessment includes experience in industry, finance, administration, corporate governance, operations and marketing, as well as diversity. Director candidates should be able to provide insights and practical wisdom based on their experience and expertise.

Directors are expected to rigorously prepare for, attend and participate in Board meetings and meetings of the Committees of the Board of Directors on which they serve, to ask direct questions and require straight answers, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities and duties as directors. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member’s service as an outstanding director. A director will notify the Governance Committee before accepting an invitation to serve on another board

to enable ABM to consider whether (1) any regulatory issues or potential conflicts are raised by the director accepting such an invitation and (2) the director will have the time required for preparation, participation and attendance at Board meetings. Ordinarily, directors who are fulltime employees of ABM or who serve as chief executive officers or equivalent positions at other companies shall not serve on more than two other boards of publicly-traded companies. Other directors shall not serve on more than five boards of public companies (including the Board). Any Audit Committee member's service on more than three public company audit committees will be subject to the Board's determination that the member is able to serve effectively on the Company's Audit Committee and the disclosure of that determination in ABM's annual proxy statement. In calculating service on a public company board or audit committee, service on a board or audit committee of a parent and its substantially-owned subsidiary counts as service on a single board or audit committee. Service on other boards and other commitments are considered by the Governance Committee and the Board when reviewing Board candidates and in connection with the Board's annual self-assessment process.

5. **Selection of New Director Candidates.** The Board is responsible for selecting director candidates. The Board delegates the screening process involved to the Governance Committee, with the expectation that other members of the Board and executives will be requested to take part in the process as appropriate. At the discretion of the Board, candidates recommended by the Governance Committee may be appointed by the Board of Directors in the case of a vacancy or nomination by the Board of Directors for election by stockholders. Stockholder nominations for director candidates must be made in accordance with ABM's Bylaws.
6. **Retirement; Resignation; and Term Limits.** A director who attains the age of 73 during his or her current term must resign from the Board effective upon the conclusion of the annual shareholders meeting next following his or her 73<sup>rd</sup> birthday.

A director who stands for re-election is expected to tender his or her resignation if he or she fails to receive the required number of votes for reelection as set forth in the Company's bylaws. If an incumbent director fails to receive the required vote for re-election, the Governance Committee will determine whether to recommend that the Board accept or reject the director's resignation and will submit such recommendation for prompt consideration to the Board. A director whose resignation is under consideration is expected to abstain from participating in any decision regarding that resignation.

The Board believes that firsthand experience as a director of ABM has been invaluable to the Company's success. The Board believes it would be unwise to discard such value through an automatic termination of the service of any director based on term limits.

7. **Directors Who Change Responsibilities.** When a director's principal occupation or business association changes substantially during his or her tenure as a director, that director shall promptly notify the Chairman of the Board and the Chairman of the Governance Committee so that such change can be considered as to its potential impact on the Board and/or the Company.
8. **Board Compensation.** Directors who are ABM employees do not receive compensation for Board service. The Board believes that the compensation of non-employee directors of ABM should be a combination of cash and stock-based components and that such compensation should be comparable to that provided by other companies of similar size and scope. The Governance Committee annually reviews the status of non-employee director compensation relative to comparable companies. Any changes to Board cash compensation recommended by the Governance Committee are subject to review and approval by the full Board. Equity awards to directors are approved by the Governance Committee in accordance with the provisions of the 2006 Equity Incentive Plan, as amended, which was approved by stockholders.

## **B. RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

1. **Responsibilities of Directors.** The basic duty of ABM directors is to exercise their business judgment to act in what the Board reasonably believes to be in the best interests of ABM and its stockholders. The primary responsibilities of the Board are providing oversight, counseling and direction to the management of the Company in the interest and for the benefit of the Company's stockholders. The Board may fulfill its responsibilities directly or through its Committees. The Board's detailed responsibilities include:
  - (a) Selecting, evaluating and setting the compensation for the Chief Executive Officer and approving the compensation of other senior executives;
  - (b) Planning for succession with respect to the Chief Executive Officer and monitoring management's succession planning for other senior executives;
  - (c) Reviewing and, where appropriate, approving the Company's major financial objectives, strategic and operating plans and actions;
  - (d) Overseeing the conduct of the Company's business to evaluate whether (i) the business is being properly managed and (ii) systemic risks are being addressed;
  - (e) Overseeing the processes for maintaining the integrity of the Company with regard to its financial statements and other public disclosures, and compliance with law and ethics; and
  - (f) Developing, monitoring, and evaluating its own actions and processes to ensure that the Board and its Committees fulfill their duties and responsibilities to ABM's stockholders.

In discharging its responsibilities and duties, the Board is empowered to investigate any matter brought to its attention that it determines to be within the scope of its authority with full access to all books, records, facilities and personnel of the Company. The Board has the power to retain consultants, outside counsel or other experts as the Board may deem appropriate in its sole discretion, and shall receive funding from the Company to engage such advisors, and have sole authority to approve related fees and retention terms.

The Board of Directors has delegated certain of its responsibilities to its Committees. The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of ABM, the authority and responsibility for managing the business of ABM in a lawful and ethical manner, consistent with the standards, policies and procedures of ABM, and in accordance with any specific plans, instructions or directions of the Board. The Chief Executive Officer and the other executive officers are required to seek the advice and, in appropriate situations, the approval of the Board with respect to certain major decisions in both the ordinary and extraordinary course of business.

2. **Ethical Conduct.** Directors shall act at all times in accordance with the requirements of ABM's Code of Business Conduct, which shall be applicable to each director and employee of the Company in connection with his or her activities on behalf of or relating to ABM. This obligation includes adherence to ABM's policies with respect to conflicts of interest, confidentiality, and protection of ABM's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Code of Business Conduct with respect to any individual director must be approved by the Board of Directors.
3. **Stock Ownership.** The Board is committed to fostering compensation programs and policies designed to encourage ownership of ABM stock by directors and executive officers over the long-term. In addition, the Board has adopted stock ownership requirements for directors and certain senior executives. In the view of the Board, such programs and stock ownership requirements will help align the interests of ABM's directors and executive officers with those of our stockholders.
4. **Access to Independent Advisors.** The Board is authorized to retain independent legal, financial or other outside advisors as it deems necessary. ABM shall make payment or reimbursement, as determined by the Board, for the costs of such independent advisors.

## C. BOARD MEETINGS AND MATERIALS

1. **Scheduling.** Board meetings are scheduled in advance and typically the Board meets seven times each year, including an annual strategy session. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. When it is impracticable to meet in person, the Board may convene by telephonic

conference. The Board may also take action from time to time by unanimous written consent.

- 2. Board Agenda.** The Chairman of the Board, in consultation with the other members of the Board, establishes the agenda for regular Board meetings and distributes it in advance to the Board. Any director may recommend agenda items, request the presence of or a report by any member of the Company's management, or raise subjects that are not on the agenda.

At the beginning of each year, the Board establishes a schedule of agenda topics to be discussed during the year, which is subject to change as matters arise during the year. The Board has regularly scheduled presentations from the Executive Vice Presidents in charge of ABM's major-business segments and operations, as well as the Chief Financial Officer and General Counsel, and in addition, reviews and, where appropriate, approves ABM's major operational, administrative, financial, marketing and strategic plans and actions.

- 3. Information to Board.** Information that is important to the understanding of the business to be conducted at any Board or Committee meeting should generally be distributed in writing to the applicable directors before that meeting. These materials should be informative but concise, and directors are expected to review these materials in advance of the meeting. Supplemental materials are provided to the Board on a periodic basis and at any time upon request of Board members. Directors are expected to review these materials prior to the Board or Committee meeting.
- 4. Access to Employees.** Directors have unrestricted access to all employees of ABM. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer's secretary, the Corporate Secretary or directly by the director. Directors will use their judgment to ensure that any such contact is not disruptive to the organization or business of ABM and will, if appropriate under the circumstances, copy the Chief Executive Officer on any written communications between that director and any employee of the Company.

Officers who report to the Chief Executive Officer regularly attend Board meetings in which matters under their supervision and control are under discussion. Furthermore, the Board encourages these officers to bring managers into Board meetings from time to time who (a) can provide additional insight into the matters under discussion, or (b) are themselves managers with future potential who should be given exposure to the Board.

- 5. Meetings of Independent and Non-Management Directors.** The independent directors will meet privately periodically, and, upon the request of any director, at any specially-called Board meeting. The non-management directors meet privately at least four times each year and, upon the request of any director, at any specially-called Board meeting. Individuals who wish to communicate directly with the non-management directors may contact them by email addressed to:

nonmanagementdirectors@abm.com or by mail addressed to: Non-Management Directors, ABM Industries Incorporated, One Liberty Plaza, New York, NY 10006.

6. **Director Orientation and Continuing Education.** All new directors must participate in an orientation program, which is generally conducted within three months of the director's joining the Board. This orientation will include meetings with the Chief Executive Officer, the Chief Financial Officer and at least one other executive officer to familiarize the new director with ABM's lines-of-business and financial statements, strategic plans, financial controls, reporting systems and compliance programs, and the Code of Business Conduct. Continuing education programs for directors will include a combination of internal and third-party presentations and programs on issues facing the Company and on subjects that will assist the directors in discharging their duties. In addition, all directors are encouraged to attend director continuing education programs offered by various organizations.

#### D. BOARD COMMITTEES

1. **Number of Committees.** The current Committees of the Board are the Audit Committee, the Compensation Committee, the Governance Committee, and the Strategy and Enterprise Risk Committee. The Audit, Compensation, and Governance Committee must be composed entirely of independent directors. The Strategy and Enterprise Risk Committee must be comprised entirely of non-management directors.

Each of the Audit, Compensation, Governance and Strategy and Enterprise Risk Committees has a written charter approved by the Board, which sets forth its authority, responsibilities and duties. Committees may only act by a vote or unanimous written consent of the appointed Committee members. Each Committee conducts an annual review of its charter and works with the Governance Committee and the full Board to make such revisions as are considered appropriate. Each Committee regularly reports to the Board concerning the Committee's activities.

Each Committee of the Board is authorized to retain independent legal, financial or other outside advisors as it deems necessary. ABM shall make payment or reimbursement, as determined by the Committee, for the costs of such independent advisors.

2. **Audit Committee.** Among other responsibilities outlined in its Charter, the Audit Committee is responsible for the hiring, oversight and compensation of the independent certified public accountants that audit the Company's financial statements and for monitoring the Company's internal financial and accounting organization, controls and financial reporting.

3. **Compensation Committee.** Among other responsibilities outlined in its Charter, the Compensation Committee reviews and determines salaries and other matters relating to compensation of ABM's executive officers and administers the Company's stock option plans, including the review and granting of stock options to eligible employees.
4. **Governance Committee.** Among other responsibilities outlined in its Charter, the Governance Committee makes recommendations to the Board regarding the size and composition of the Board, establishes procedures for the nomination process, recommends candidates for election to the Board, and reviews and recommends executive officer succession. The Governance Committee reviews and makes recommendations to the Board concerning non-employee director compensation. This Committee regularly reviews the structure of the Board and its committees to assure their effectiveness for accomplishing the Board's work. It also reviews and reports to the Board on matters of corporate governance and reviews and addresses these principles and recommends revisions as appropriate. The Governance Committee reviews all proposals submitted by stockholders for action at the Annual Shareholders' Meeting, and recommends action by the Board with regards to each such proposal.
5. **Strategy and Enterprise Risk Committee.** Among other responsibilities outlined in its Charter, the Strategy and Enterprise Risk Committee assists the Board in fulfilling its oversight responsibilities relating to the strategic planning process and implementation of Board-approved long-term strategy for the Company and in regard to the identification, evaluation and mitigation of strategic and operational risks.
6. **Committee Membership.** The Governance Committee recommends to the Board the composition of the Committees, including the Chairs of the Committees with the expectation that other members of the Board will be consulted as to preferences. The recommendations of the Governance Committee are subject to approval by the Board.
7. **Committee Agendas.** The Committee Chair, in consultation with the members of that Committee, determines the frequency and duration of the Committee meetings and develops the Committee's agenda. At the beginning of the year, each of the Audit, Compensation, Governance and Strategy and Enterprise Risk Committees establishes a schedule of agenda subjects to be discussed during the year, which is subject to change as matters arise during the year. The agendas and meeting minutes of the Committees are furnished to all directors. Other Board members may attend committee meetings at the invitation of the Committee Chair.

## **E. MANAGEMENT AND BOARD REVIEW AND RESPONSIBILITY**

1. **Chief Executive Officer Performance Evaluation and Compensation.** The full Board participates in the development of annual performance objectives for the Chief Executive Officer and, without the Chief Executive Officer present, reviews

the corporate goals and objectives relevant to the CEO's compensation. The CEO's annual performance objectives are approved by the Compensation Committee, after consultation with the Board. The Board meets annually without the Chief Executive Officer present to discuss the Compensation Committee's evaluation of the CEO's performance and the Compensation Committee's recommendation for the CEO's compensation. Following this meeting, the independent and outside directors of the Board consider for approval the CEO's compensation based on the Compensation Committee's evaluation of the CEO's performance. Both objective and subjective criteria may be used to evaluate the CEO's performance.

2. **Succession Planning and Management Development.** The Governance Committee ensures a process exists for the development by the Chief Executive Officer of an executive officer succession plan. The Board annually reviews and approves the plan. The plan will include contingencies in the event of the death or disability of the Chief Executive Officer. The Chief Executive Officer reviews management development with the Board on an annual basis.
3. **Board and Committee Evaluations.** The Board, under the auspices of the Governance Committee, will conduct an annual Board performance self-evaluation. The assessment will focus on the Board's contribution to ABM and specifically concentrate on areas in which the Board believes that it could improve. In addition, each Committee of the Board will prepare an annual performance self-evaluation and report to the Board on the evaluation.
4. **Stakeholder Communications.** The Chief Executive Officer is responsible for establishing effective communications with ABM's stakeholders: stockholders, customers, employees, communities, suppliers and creditors. This policy does not preclude directors from meeting with stakeholders, but in appropriate circumstances, the Board suggests that, as a courtesy, its members inform the Chief Executive Officer of such meetings.