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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10-Q**

(Mark One)

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

For the quarterly period ended April 30, 2021  
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, 7<sup>th</sup> Floor  
New York, New York 10006

(Address of principal executive offices)

(212) 297-0200

(Registrant's telephone number, including area code)

**None**

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	ABM	New York Stock Exchange

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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 every Interactive Data File required to be submitted 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 such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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 Exchange Act). Yes  No

Number of shares of the registrant's common stock outstanding as of June 8, 2021: 67,131,306

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# ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

## TABLE OF CONTENTS

<b>FORWARD-LOOKING STATEMENTS</b>	<a href="#"><u>1</u></a>
<b>PART I. FINANCIAL INFORMATION</b>	<a href="#"><u>3</u></a>
Item 1. Consolidated Financial Statements	<a href="#"><u>3</u></a>
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	<a href="#"><u>22</u></a>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<a href="#"><u>44</u></a>
Item 4. Controls and Procedures	<a href="#"><u>44</u></a>
<b>PART II. OTHER INFORMATION</b>	<a href="#"><u>44</u></a>
Item 1. Legal Proceedings	<a href="#"><u>44</u></a>
Item 1A. Risk Factors	<a href="#"><u>44</u></a>
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	<a href="#"><u>44</u></a>
Item 3. Defaults Upon Senior Securities	<a href="#"><u>45</u></a>
Item 4. Mine Safety Disclosures	<a href="#"><u>45</u></a>
Item 5. Other Information	<a href="#"><u>45</u></a>
Item 6. Exhibits	<a href="#"><u>46</u></a>
<b>SIGNATURES</b>	<a href="#"><u>47</u></a>

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## FORWARD-LOOKING STATEMENTS

This Form 10-Q contains both historical and forward-looking statements regarding ABM and its subsidiaries (collectively referred to as “ABM,” “we,” “us,” “our,” or the “Company”). 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. Particular risks and uncertainties that could cause our actual results to be materially different from those expressed in our forward-looking statements include those listed below.

- The novel coronavirus (“COVID-19”) pandemic (the “Pandemic”) has had and is expected to continue having a negative effect on the global economy and the United States economy; it has disrupted and is expected to continue disrupting our operations and our clients’ operations; and it has adversely affected and may continue to adversely affect our business, results of operations, cash flows, and financial condition.
- Our success depends on our ability to gain profitable business despite competitive market pressures.
- Our business success depends on our ability to attract and retain qualified personnel and senior management and to manage labor costs.
- Our ability to preserve long-term client relationships is essential to our continued success.
- Changes to our businesses, operating structure, financial reporting structure, or personnel relating to the implementation of strategic transformations, enhanced business processes, and technology initiatives may not have the desired effects on our financial condition and results of operations.
- Acquisitions, divestitures, and other strategic transactions could fail to achieve financial or strategic objectives, disrupt our ongoing business, and adversely impact our results of operations.
- 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.
- Our use of subcontractors or joint venture partners to perform work under customer contracts exposes us to liability and financial risk.
- We manage our insurable risks through a combination of third-party purchased policies 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 to our ultimate insurance loss reserves could result in material charges against our earnings.
- Our risk management and safety programs may not have the intended effect of reducing our liability for personal injury or property loss.
- We may experience breaches of, or disruptions to, our information technology systems or those of our third-party providers or clients, or other compromises of our data that could adversely affect our business.
- Unfavorable developments in our class and representative actions and other lawsuits alleging various claims could cause us to incur substantial liabilities.
- A significant number of our employees are covered by collective bargaining agreements that could expose us to potential liabilities in relation 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.
- 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.
- Changes in general economic conditions, such as changes in energy prices, government regulations, or consumer preferences, could reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition.
- Future increases in the level of our borrowings or in interest rates could affect our results of operations.
- Impairment of goodwill and long-lived assets could have a material adverse effect on our financial condition and results of operations.
- 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 and investor perceptions of our Company and as a result may have a material adverse effect on the value of our common stock.

- Our business may be negatively impacted by adverse weather conditions.
- Catastrophic events, disasters, and terrorist attacks could disrupt our services.
- Actions of activist investors could disrupt our business.

The list of factors above is illustrative and by no means exhaustive. Additional information regarding these and other risks and uncertainties we face is contained in our Annual Report on Form 10-K for the year ended October 31, 2020, and in other reports (including all amendments to those reports) we file from time to time with the Securities and Exchange Commission ("SEC").

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. FINANCIAL INFORMATION**

**ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS.**

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**(UNAUDITED)**

*(in millions, except share and per share amounts)*

	April 30, 2021	October 31, 2020
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 435.7	\$ 394.2
Trade accounts receivable, net of allowances of \$34.7 and \$35.5 at April 30, 2021 and October 31, 2020, respectively	878.4	854.2
Costs incurred in excess of amounts billed	37.7	52.2
Prepaid expenses	88.8	85.4
Other current assets	58.5	55.9
Total current assets	1,499.0	1,441.9
Other investments		
Property, plant and equipment, net of accumulated depreciation of \$260.0 and \$241.3 at April 30, 2021 and October 31, 2020, respectively	124.3	133.7
Right-of-use assets	131.9	143.1
Other intangible assets, net of accumulated amortization of \$365.9 and \$343.8 at April 30, 2021 and October 31, 2020, respectively	218.3	239.7
Goodwill	1,675.5	1,671.4
Deferred income tax asset, net	11.5	—
Other noncurrent assets	119.2	136.1
Total assets	\$ 3,792.0	\$ 3,776.9
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Current portion of long-term debt, net	\$ 117.0	\$ 116.7
Trade accounts payable	222.9	273.3
Accrued compensation	169.9	187.6
Accrued taxes—other than income	104.9	45.5
Insurance claims	157.6	155.2
Income taxes payable	17.4	6.2
Current portion of lease liabilities	33.3	35.0
Other accrued liabilities	241.3	167.3
Total current liabilities	1,064.4	986.9
Long-term debt, net	524.2	603.0
Long-term lease liabilities	121.4	131.4
Deferred income tax liability, net	—	10.8
Noncurrent insurance claims	361.5	366.3
Other noncurrent liabilities	110.5	168.1
Noncurrent income taxes payable	10.2	10.1
Total liabilities	2,192.2	2,276.6
Commitments and contingencies		
<b>Stockholders' Equity</b>		
Preferred stock, \$0.01 par value; 500,000 shares authorized; none issued	—	—
Common stock, \$0.01 par value; 100,000,000 shares authorized; 67,120,439 and 66,748,157 shares issued and outstanding at April 30, 2021 and October 31, 2020, respectively	0.7	0.7
Additional paid-in capital	737.1	724.1
Accumulated other comprehensive loss, net of taxes	(23.6)	(30.8)
Retained earnings	885.6	806.4
Total stockholders' equity	1,599.8	1,500.3
Total liabilities and stockholders' equity	\$ 3,792.0	\$ 3,776.9

See accompanying notes to unaudited consolidated financial statements.

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(UNAUDITED)**

<i>(in millions, except per share amounts)</i>	Three Months Ended April 30,		Six Months Ended April 30,	
	2021	2020	2021	2020
<b>Revenues</b>	\$ 1,497.4	\$ 1,496.0	\$ 2,989.8	\$ 3,109.0
Operating expenses	1,274.5	1,306.1	2,523.8	2,739.9
Selling, general and administrative expenses	161.9	119.4	284.5	237.0
Restructuring and related expenses	—	1.8	—	5.0
Amortization of intangible assets	10.7	12.5	21.5	25.1
Impairment loss	—	172.8	—	172.8
<b>Operating profit (loss)</b>	50.3	(116.7)	160.1	(70.8)
Income from unconsolidated affiliates	0.2	0.9	0.8	1.8
Interest expense	(7.8)	(10.5)	(16.3)	(20.7)
Income (loss) from continuing operations before income taxes	42.8	(126.2)	144.6	(89.7)
Income tax provision	(11.7)	(10.6)	(38.9)	(19.2)
Income (loss) from continuing operations	31.1	(136.8)	105.7	(108.9)
Income from discontinued operations, net of taxes	—	—	—	0.1
Net income (loss)	31.1	(136.8)	105.7	(108.8)
Other comprehensive income (loss)				
Interest rate swaps	1.6	(8.7)	2.8	(9.9)
Foreign currency translation and other	1.2	(4.2)	5.2	(3.8)
Income tax (provision) benefit	(0.4)	2.4	(0.8)	2.7
Comprehensive income (loss)	\$ 33.4	\$ (147.3)	\$ 112.9	\$ (119.8)
<b>Net income (loss) per common share — Basic</b>				
Income (loss) from continuing operations	\$ 0.46	\$ (2.05)	\$ 1.57	\$ (1.63)
Income from discontinued operations	—	—	—	—
Net income (loss)	\$ 0.46	\$ (2.05)	\$ 1.57	\$ (1.63)
<b>Net income (loss) per common share — Diluted</b>				
Income (loss) from continuing operations	\$ 0.46	\$ (2.05)	\$ 1.56	\$ (1.63)
Income from discontinued operations	—	—	—	—
Net income (loss)	\$ 0.46	\$ (2.05)	\$ 1.56	\$ (1.63)
<b>Weighted-average common and common equivalent shares outstanding</b>				
Basic	67.3	66.9	67.2	66.9
Diluted	67.8	66.9	67.7	66.9

See accompanying notes to unaudited consolidated financial statements.

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**

	Three Months Ended April 30,				Six Months Ended April 30,			
	2021		2020		2021		2020	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
<i>(in millions, except per share amounts)</i>								
<b>Common Stock</b>								
Balance, beginning of period	67.1	\$ 0.7	66.8	\$ 0.7	\$ 66.7	\$ 0.7	\$ 66.6	\$ 0.7
Stock issued under employee stock purchase and share-based compensation plans	—	—	—	—	0.4	—	0.2	—
Repurchase of common stock	—	—	(0.2)	—	—	—	(0.2)	—
Balance, end of period	67.1	0.7	66.6	0.7	67.1	0.7	66.6	0.7
<b>Additional Paid-in Capital</b>								
Balance, beginning of period		726.9		711.8		724.1		708.9
Stock issued (taxes withheld) under employee stock purchase and share-based compensation plans, net		1.1		1.1		(4.6)		(0.9)
Share-based compensation expense (reversal)		9.1		(0.7)		17.6		4.2
Repurchase of common stock		—		(5.1)		—		(5.1)
Balance, end of period		737.1		707.1		737.1		707.1
<b>Accumulated Other Comprehensive Loss, Net of Taxes</b>								
Balance, beginning of period		(25.9)		(24.3)		(30.8)		(23.9)
Other comprehensive income (loss)		2.3		(10.5)		7.2		(11.0)
Balance, end of period		(23.6)		(34.9)		(23.6)		(34.9)
<b>Retained Earnings</b>								
Balance, beginning of period		867.5		871.6		806.4		856.3
Net income (loss)		31.1		(136.8)		105.7		(108.8)
<b>Dividends</b>								
Common stock (\$0.190, \$0.185, \$0.380, and \$0.370 per share)		(12.7)		(12.3)		(25.4)		(24.6)
Stock issued under share-based compensation plans		(0.2)		(0.1)		(1.0)		(0.5)
Balance, end of period		885.6		722.3		885.6		722.3
<b>Total Stockholders' Equity</b>		<u>\$ 1,599.8</u>		<u>\$ 1,395.2</u>		<u>\$ 1,599.8</u>		<u>\$ 1,395.2</u>

See accompanying notes to unaudited consolidated financial statements.



**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(in millions)</i>	Six Months Ended April 30,	
	2021	2020
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 105.7	\$ (108.8)
Income from discontinued operations, net of taxes	—	(0.1)
Income (loss) from continuing operations	105.7	(108.9)
<b>Adjustments to reconcile income (loss) from continuing operations to net cash provided by operating activities of continuing operations</b>		
Depreciation and amortization	44.3	49.1
Impairment loss	—	172.8
Deferred income taxes	(23.0)	(12.7)
Share-based compensation expense	17.6	4.2
Provision for bad debt	1.2	10.6
Amortization of accumulated other comprehensive gain on interest rate swaps	(3.2)	(3.4)
Discount accretion on insurance claims	—	0.4
Loss on sale of assets	1.1	0.4
Income from unconsolidated affiliates	(0.8)	(1.8)
Distributions from unconsolidated affiliates	—	0.1
Changes in operating assets and liabilities		
Trade accounts receivable and costs incurred in excess of amounts billed	(10.9)	55.2
Prepaid expenses and other current assets	(5.8)	(12.8)
Right-of-use assets	11.2	8.7
Other noncurrent assets	15.2	(3.8)
Trade accounts payable and other accrued liabilities	55.3	(74.6)
Long-term lease liabilities	(10.0)	(9.4)
Insurance claims	(2.4)	17.7
Income taxes payable	11.5	25.1
Other noncurrent liabilities	(36.0)	11.1
Total adjustments	65.5	236.8
Net cash provided by operating activities of continuing operations	171.2	127.8
Net cash provided by operating activities of discontinued operations	—	0.1
<b>Net cash provided by operating activities</b>	<b>171.2</b>	<b>128.0</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(14.9)	(19.1)
Proceeds from sale of assets	1.5	4.8
Proceeds from redemption of auction rate security	—	5.0
<b>Net cash used in investing activities</b>	<b>(13.4)</b>	<b>(9.3)</b>
<b>Cash flows from financing activities</b>		
Taxes withheld from issuance of share-based compensation awards, net	(5.6)	(1.4)
Repurchases of common stock	—	(5.1)
Dividends paid	(25.4)	(24.6)
Borrowings from credit facility	2.6	1,048.3
Repayment of borrowings from credit facility	(82.8)	(658.1)
Changes in book cash overdrafts	(13.3)	18.2
Financing of energy savings performance contracts	7.5	1.1
Repayment of finance lease obligations	(1.5)	(1.5)
<b>Net cash (used in) provided by financing activities</b>	<b>(118.5)</b>	<b>376.8</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	2.2	2.0
<b>Net increase in cash and cash equivalents</b>	41.5	497.5
<b>Cash and cash equivalents at beginning of year</b>	<b>394.2</b>	<b>58.5</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 435.7</b>	<b>\$ 555.9</b>

See accompanying notes to unaudited consolidated financial statements.

**ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**1. THE COMPANY AND NATURE OF OPERATIONS**

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ABM is a leading provider of integrated facility services with a mission to **make a difference, every person, every day**. We are organized into four industry groups and one Technical Solutions segment:



Aviation



Business &  
Industry



Education



Technology &  
Manufacturing



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 with other services.

**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

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**Basis of Presentation**

The accompanying unaudited consolidated financial statements have been prepared in accordance with (i) United States generally accepted accounting principles (“U.S. GAAP”) for interim financial information and (ii) the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of our management, our unaudited consolidated financial statements and accompanying notes (the “Financial Statements”) include all normal recurring adjustments that are necessary for the fair statement of the interim periods presented. Interim results of operations are not necessarily indicative of results for the full year. The Financial Statements should be read in conjunction with our audited consolidated financial statements (and notes thereto) in our Annual Report on Form 10-K for the year ended October 31, 2020. Unless otherwise indicated, all references to years are to our fiscal years, which end on October 31.

**Impact of the Pandemic**

COVID-19 has resulted in a worldwide health Pandemic. To date, the Pandemic has surfaced in regions all around the world and resulted in business slowdowns and shutdowns, as well as global travel restrictions. In these Financial Statements, we have assessed the current impact of the Pandemic on our financial condition, results of operations, and cash flows as well as on our estimates, forecasts, and accounting policies. We have made additional disclosures of these assessments, as necessary. Given the unprecedented nature of this situation, we cannot reasonably estimate the full impact the Pandemic will have on our financial condition, results of operations, or cash flows in the foreseeable future. The ultimate impact of the Pandemic on our company is highly uncertain and will depend on future developments, and such impacts could exist for an extended period of time, even after the Pandemic subsides.

The Pandemic continues to create a dynamic client environment, and we are working diligently to ensure our clients' changing staffing and service needs are met while actively managing direct labor and related personnel costs, including furloughs or reduced hours for certain frontline employees in markets significantly impacted by business slowdowns and shutdowns.

**Rounding**

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.

## Discontinued Operations

Following the sale of our Security business in 2015, we record all costs associated with this former business in discontinued operations. Such costs generally relate to litigation we retained and insurance reserves.

## Management Reimbursement Revenue by Segment

We operate certain parking facilities under management reimbursement arrangements. Under these arrangements, we manage the parking facilities for management fees and pass through the revenues and expenses associated with the facilities to the owners. These revenues and expenses are reported in equal amounts as costs reimbursed from our managed locations:

<i>(in millions)</i>	Three Months Ended April 30,		Six Months Ended April 30,	
	2021	2020	2021	2020
Business & Industry	\$ 43.2	\$ 61.7	\$ 86.6	\$ 135.4
Aviation	12.9	20.7	26.5	46.6
<b>Total</b>	<b>\$ 56.1</b>	<b>\$ 82.4</b>	<b>\$ 113.1</b>	<b>\$ 182.0</b>

## Recently Adopted Accounting Standards

The Financial Accounting Standards Board (“FASB”) issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)* in June 2016 and subsequently issued these amendments to the initial guidance: ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-11, and ASU 2020-03 (collectively, “Topic 326”). Topic 326 replaces the existing incurred loss impairment model with a methodology that incorporates all expected credit loss estimates, resulting in more timely recognition of losses. Under Topic 326, an organization is required to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported financial assets. It also requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses. We adopted this standard effective November 1, 2020, on a modified retrospective basis. The asset and liability classes that we have identified to be in the scope of Topic 326 at the time of the adoption are trade accounts receivable, costs incurred in excess of amounts billed, guarantees, reinsurance recoverables, and notes receivable. The adoption of this standard did not have a material impact on our consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This accounting update aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The guidance also specifies that the presentation of capitalized implementation costs and the related amortization on the balance sheet, income statement, and statement of cash flows should align with the presentation of the hosting (service) element of the arrangement. We adopted this standard effective November 1, 2020, on a prospective basis. The adoption of the standard did not have a material impact on our consolidated financial statements.

No other recently adopted accounting standards have had a significant impact on our fiscal 2021 consolidated financial statements.

### 3. REVENUES

#### Disaggregation of Revenues

We generate revenues under several types of contracts, which are further explained below. Generally, the type of contract is determined by the nature of the services provided by each of our major service lines throughout our reportable segments; therefore, we disaggregate revenues from contracts with customers into major service lines. We have determined that disaggregating revenues into these categories best depicts how the nature, amount, timing, and uncertainty of revenues and cash flows are affected by economic factors. Our reportable segments are Business & Industry (“B&I”), Technology and Manufacturing (“T&M”), Education, Aviation, and Technical Solutions, as described in Note 10, “Segment Information.”

(in millions)	Three Months Ended April 30, 2021						Six Months Ended April 30, 2021					
	B&I	T&M	Education	Aviation	Technical Solutions	Total	B&I	T&M	Education	Aviation	Technical Solutions	Total
<b>Major Service Line</b>												
Janitorial <sup>(1)</sup>	\$ 644.4	\$ 197.3	\$ 187.6	\$ 29.1	\$ —	\$ 1,058.4	\$ 1,291.3	\$ 394.2	\$ 372.4	\$ 58.2	\$ —	\$ 2,116.1
Parking <sup>(2)</sup>	68.3	10.0	0.2	61.9	—	140.5	137.3	21.7	0.4	117.3	—	276.7
Facility Services <sup>(3)</sup>	83.4	39.0	26.3	6.8	—	155.5	176.8	79.6	50.8	13.7	—	320.9
Building & Energy Solutions <sup>(4)</sup>	—	—	—	—	125.5	125.5	—	—	—	—	238.8	238.8
Airline Services <sup>(5)</sup>	0.1	—	—	50.5	—	50.6	0.2	—	—	102.2	—	102.5
	<u>\$ 796.2</u>	<u>\$ 246.3</u>	<u>\$ 214.2</u>	<u>\$ 148.3</u>	<u>\$ 125.5</u>	<u>\$ 1,530.5</u>	<u>\$ 1,605.6</u>	<u>\$ 495.5</u>	<u>\$ 423.6</u>	<u>\$ 291.5</u>	<u>\$ 238.8</u>	<u>\$ 3,055.0</u>
Elimination of inter-segment revenues						(33.1)						(65.2)
<b>Total</b>						<u>\$ 1,497.4</u>						<u>\$ 2,989.8</u>

(in millions)	Three Months Ended April 30, 2020						Six Months Ended April 30, 2020					
	B&I	T&M	Education	Aviation	Technical Solutions	Total	B&I	T&M	Education	Aviation	Technical Solutions	Total
<b>Major Service Line</b>												
Janitorial <sup>(1)</sup>	\$ 597.0	\$ 190.3	\$ 177.5	\$ 31.9	\$ —	\$ 996.7	\$ 1,190.5	\$ 376.0	\$ 363.7	\$ 66.7	\$ —	\$ 1,996.9
Parking <sup>(2)</sup>	97.1	7.4	0.6	71.3	—	176.4	222.9	15.5	1.4	156.3	—	396.1
Facility Services <sup>(3)</sup>	91.3	35.9	22.0	7.9	—	157.1	192.8	76.1	43.0	18.5	—	330.3
Building & Energy Solutions <sup>(4)</sup>	—	—	—	—	122.3	122.3	—	—	—	—	264.3	264.3
Airline Services <sup>(5)</sup>	0.1	—	—	73.7	—	73.8	0.3	—	—	182.0	—	182.3
	<u>\$ 785.6</u>	<u>\$ 233.7</u>	<u>\$ 200.1</u>	<u>\$ 184.7</u>	<u>\$ 122.3</u>	<u>\$ 1,526.4</u>	<u>\$ 1,606.5</u>	<u>\$ 467.6</u>	<u>\$ 408.0</u>	<u>\$ 423.5</u>	<u>\$ 264.3</u>	<u>\$ 3,170.0</u>
Elimination of inter-segment revenues						(30.4)						(61.0)
<b>Total</b>						<u>\$ 1,496.0</u>						<u>\$ 3,109.0</u>

<sup>(1)</sup> Janitorial arrangements provide a wide range of essential cleaning services for commercial office buildings, airports and other transportation centers, educational institutions, government buildings, health facilities, industrial buildings, retail stores, and stadiums and arenas. These arrangements are often structured as monthly fixed-price, square-foot, cost-plus, and work order contracts.

<sup>(2)</sup> Parking arrangements provide parking and transportation services for clients at various locations, including airports and other transportation centers, commercial office buildings, educational institutions, health facilities, hotels, and stadiums and arenas. These arrangements are structured as management reimbursement, leased location, and allowance contracts. Certain of these arrangements are considered service concession agreements and are accounted for under the guidance of ASU

2017-10, *Service Concession Arrangements (Topic 853): Determining the Customer of the Operation Services*; accordingly, rent expense related to these arrangements is recorded as a reduction of the related parking service revenues.

- (3) Facility Services arrangements provide onsite mechanical engineering and technical services and solutions relating to a broad range of facilities and infrastructure systems that are designed to extend the useful life of facility fixed assets, improve equipment operating efficiencies, reduce energy consumption, lower overall operational costs for clients, and enhance the sustainability of client locations. These arrangements are generally structured as monthly fixed-price, cost-plus, and work order contracts.
- (4) Building & Energy Solutions arrangements provide custom energy solutions, electrical, HVAC, lighting, and other general maintenance and repair services for clients in the public and private sectors and are generally structured as Energy Savings, Fixed-Price Repair, and Refurbishment contracts. We also franchise certain operations under franchise agreements relating to our Linc Network and TEGG brands, pursuant to franchise contracts.
- (5) Airline Services arrangements support airlines and airports with services such as passenger assistance, catering logistics, and airplane cabin maintenance. These arrangements are often structured as monthly fixed-price, cost-plus, transaction price, and hourly contracts.

## Contract Types

We have arrangements under various contract types, as described in Note 2, "Basis of Presentation and Significant Accounting Policies," in our Annual Report on Form 10-K for the year ended October 31, 2020.

Certain arrangements involve variable consideration (primarily per transaction fees, reimbursable expenses, and sales-based royalties). We do not estimate the variable consideration for these arrangements; rather, we recognize these variable fees as they are earned.

The majority of our contracts include performance obligations that are primarily satisfied over time as we provide the related services. These contract types include: monthly fixed-price; square-foot; cost-plus; work orders; transaction-price; hourly; management reimbursement; leased location; allowance; energy savings contracts; and fixed-price repair and refurbishment contracts, as well as our franchise and royalty fee arrangements. We recognize revenue as the services are performed using a measure of progress that is determined by the contract type. Generally, most of our contracts are cancelable by either party without a substantive penalty, and the majority have a notification period of 30 to 60 days.

We primarily account for our performance obligations under the series guidance, using the as-invoiced practical expedient when applicable. We apply the as-invoiced practical expedient to record revenue as the services are provided, given the nature of the services provided and the frequency of billing under the customer contracts. Under this practical expedient, we recognize revenue in an amount that corresponds directly with the value to the customer of our performance completed to date and for which we have the right to invoice the customer.

## Remaining Performance Obligations

At April 30, 2021, performance obligations that were unsatisfied or partially unsatisfied for which we expect to recognize revenue totaled \$282.4 million. We expect to recognize revenue on approximately 70% of the remaining performance obligations over the next 12 months, with the remainder recognized thereafter, based on our estimates of project timing.

These amounts exclude variable consideration primarily related to: (i) contracts where we have determined that the contract consists of a series of distinct service periods and revenues are based on future performance that cannot be estimated at contract inception; (ii) parking contracts where we and the customer share the gross revenues or operating profit for the location; and (iii) contracts where transaction prices include performance incentives that are based on future performance and therefore cannot be estimated at contract inception. We apply the practical expedient that permits exclusion of information about the remaining performance obligations with original expected durations of one year or less.

## Contract Balances

The timing of revenue recognition, billings, and cash collections results in contract assets and contract liabilities, as further explained below. The timing of revenue recognition may differ from the timing of invoicing to customers.

Contract assets primarily consist of billed trade receivables, unbilled trade receivables, and costs incurred in excess of amounts billed. Billed and unbilled trade receivables represent amounts from work completed in which we

have an unconditional right to bill our customer. Costs incurred in excess of amounts billed typically arise when the revenue recognized on projects exceeds the amount billed to the customer. These amounts are transferred to billed trade receivables when the rights become unconditional. Contract assets also include the capitalization of incremental costs of obtaining a contract with a customer, primarily commissions. Commissions expense is recognized on a straight-line basis over a weighted average expected customer relationship period.

Contract liabilities consist of deferred revenue and advance payments and billings in excess of revenue recognized. We generally classify contract liabilities as current since the related contracts are generally for a period of one year or less. Contract liabilities decrease as we recognize revenue from the satisfaction of the related performance obligation.

The following tables present the balances in our contract assets and contract liabilities:

<i>(in millions)</i>	April 30, 2021	October 31, 2020
<b>Contract assets</b>		
Billed trade receivables <sup>(1)</sup>	\$ 812.5	\$ 835.8
Unbilled trade receivables <sup>(1)</sup>	100.6	53.9
Costs incurred in excess of amounts billed <sup>(2)</sup>	37.7	52.2
Capitalized commissions <sup>(3)</sup>	27.2	25.2

<sup>(1)</sup> Included in trade accounts receivable, net, on the unaudited Consolidated Balance Sheets. The fluctuations correlate directly to the execution of new customer contracts and to invoicing and collections from customers in the normal course of business.

<sup>(2)</sup> Fluctuation is primarily due to the timing of payments on our contracts measured using the cost-to-cost method of revenue recognition.

<sup>(3)</sup> Included in other current assets and other noncurrent assets on the unaudited Consolidated Balance Sheets. During the six months ended April 30, 2021, we capitalized \$8.6 million of new costs and amortized \$6.6 million of previously capitalized costs. There was no impairment loss recorded on the costs capitalized.

<i>(in millions)</i>	Six Months Ended April 30, 2021	
<b>Contract liabilities<sup>(1)</sup></b>		
Balance at beginning of period	\$	36.4
Additional contract liabilities		72.2
Recognition of deferred revenue		(61.0)
Balance at end of period	\$	47.6

<sup>(1)</sup> Included in other accrued liabilities on the unaudited Consolidated Balance Sheets.

#### 4. NET INCOME (LOSS) PER COMMON SHARE

##### Basic and Diluted Net Income (Loss) Per Common Share Calculations

<i>(in millions, except per share amounts)</i>	Three Months Ended April 30,		Six Months Ended April 30,	
	2021	2020	2021	2020
Income (loss) from continuing operations	\$ 31.1	\$ (136.8)	\$ 105.7	\$ (108.9)
Income from discontinued operations, net of taxes	—	—	—	0.1
<b>Net income (loss)</b>	<b>\$ 31.1</b>	<b>\$ (136.8)</b>	<b>\$ 105.7</b>	<b>\$ (108.8)</b>
<b>Weighted-average common and common equivalent shares outstanding — Basic</b>	<b>67.3</b>	<b>66.9</b>	<b>67.2</b>	<b>66.9</b>
Effect of dilutive securities <sup>(1)</sup>				
Restricted stock units	0.4	—	0.3	—
Performance shares	—	—	0.1	—
<b>Weighted-average common and common equivalent shares outstanding — Diluted</b>	<b>67.8</b>	<b>66.9</b>	<b>67.7</b>	<b>66.9</b>
<b>Net income (loss) per common share — Basic</b>				
Income (loss) from continuing operations	\$ 0.46	\$ (2.05)	\$ 1.57	\$ (1.63)
Income from discontinued operations	—	—	—	—
Net income (loss)	<b>\$ 0.46</b>	<b>\$ (2.05)</b>	<b>\$ 1.57</b>	<b>\$ (1.63)</b>
<b>Net income (loss) per common share — Diluted</b>				
Income (loss) from continuing operations	\$ 0.46	\$ (2.05)	\$ 1.56	\$ (1.63)
Income from discontinued operations	—	—	—	—
Net income (loss)	<b>\$ 0.46</b>	<b>\$ (2.05)</b>	<b>\$ 1.56</b>	<b>\$ (1.63)</b>

<sup>(1)</sup> Excludes the impact of potentially dilutive outstanding share-based securities that are excluded from the calculation of diluted loss per share in periods when we have a loss, as their inclusion would have an anti-dilutive effect. Such impact is included in the table below.

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

<i>(in millions)</i>	Three Months Ended April 30,		Six Months Ended April 30,	
	2021	2020	2021	2020
<b>Anti-dilutive</b>	—	0.8	0.1	0.6

## 5. 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	April 30, 2021	October 31, 2020
Cash and cash equivalents <sup>(1)</sup>	1	\$ 435.7	\$ 394.2
Insurance deposits <sup>(2)</sup>	1	0.7	0.7
Assets held in funded deferred compensation plan <sup>(3)</sup>	1	2.9	2.6
Credit facility <sup>(4)</sup>	2	645.1	725.3
Interest rate swap liabilities <sup>(5)</sup>	2	9.5	15.5

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

<sup>(2)</sup> 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 unaudited Consolidated Balance Sheets. See Note 6, "Insurance," for further information.

<sup>(3)</sup> 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 unaudited Consolidated Balance Sheets. The fair value of the assets held in the funded deferred compensation plan is based on quoted market prices.

<sup>(4)</sup> 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 7, "Credit Facility," for further information.

<sup>(5)</sup> 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 the London Interbank Offered Rate ("LIBOR") forward rates at the end of the period. At April 30, 2021 and October 31, 2020, our interest rate swaps are included in "Other noncurrent liabilities" on the accompanying unaudited Consolidated Balance Sheets. See Note 7, "Credit Facility," for further information.

The Company does not currently have any financial assets or liabilities recorded at fair value using Level 3 inputs, and there were no transfers to or from Level 3 financial assets or liabilities during the six months ended April 30, 2021.

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

In addition to assets and liabilities that are measured at fair value on a recurring basis, we are also required to measure certain items at fair value on a non-recurring basis. These assets can include: goodwill; intangible assets; property, plant and equipment; lease-related ROU assets; and long-lived assets that have been reduced to fair value when they are held for sale. If certain triggering events occur, or if an annual impairment test is required, we would evaluate these non-financial assets for impairment. If an impairment were to occur, then the asset would be recorded at the estimated fair value, using primarily unobservable Level 3 inputs.

We did not identify impairment to such non-financial assets for the three and six months ended April 30, 2021. During the second quarter of 2020, given the general deterioration in economic and market conditions arising from the Pandemic, we identified a triggering event and recognized impairment of goodwill and intangible assets, as further described below.

#### Goodwill

During the second quarter of 2020, we recognized a non-cash impairment charge totaling \$163.8 million in three goodwill reporting units (\$99.3 million related to Education, \$55.5 million related to Aviation, and \$9.0 million related to our U.K. Technical Solutions business) as part of an interim impairment test performed as a result of a triggering event arising from the Pandemic. The fair values of the goodwill reporting units were determined using a combination of the market approach and income approach. The market approach estimates the fair value of a reporting unit by using market comparables for reasonably similar public companies and a control premium. The income approach estimates fair value of a reporting unit by using discounted cash flows that included significant



management assumptions, such as revenue growth rates, operating margins, weighted average cost of capital, and future economic and operating conditions. The impairment charge is included in "Impairment loss" on our unaudited Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended April 30, 2020 and is not tax deductible.

### *Intangible Assets*

During the second quarter of 2020 and in connection with the goodwill triggering event previously mentioned, we recognized net impairment charges of \$5.6 million related to Aviation (consisting of a \$13.8 million reduction in the gross carrying amount of the underlying customer relationships less \$8.2 million of accumulated amortization) and \$3.4 million related to our U.K. Technical Solutions business (consisting of an \$8.7 million reduction in the gross carrying amount of the underlying customer relationships less \$5.3 million of accumulated amortization). The fair value of customer contracts and relationships was determined based on discounted cash flows associated with the customer relationships that included significant management assumptions, including expected proceeds. These impairment charges are included in "Impairment loss" on our unaudited Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended April 30, 2020.

## **6. INSURANCE**

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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 to \$1.5 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 \$0.5 million of exposure on a per-participant, per-year basis with respect to claims.

We maintain our reserves for workers' compensation, general liability, automobile liability, and property damage insurance claims 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 reviews are used to estimate our insurance rates and insurance reserves for future periods and to adjust reserves, if appropriate, for prior years.

### **Actuarial Review and Interim Update Performed During 2021**

We review our self-insurance liabilities on a regular basis and adjust our accruals accordingly. Actual claims activity or development may vary from our assumptions and estimates, which may result in material losses or gains. As we obtain additional information that affects the assumptions and estimates used in our reserve liability calculations, we adjust our self-insurance rates and reserves for future periods and, if appropriate, adjust our reserves for claims incurred in prior accounting periods.

During the first quarter of 2021, we performed a comprehensive actuarial review of the majority of our casualty insurance programs to evaluate changes made to claims reserves and claims payment activity for the period of May 1, 2020 through October 31, 2020 (the "Actuarial Review"). The Actuarial Review was comprehensive in nature and was based on loss development patterns, trend assumptions, and underlying expected loss costs during the period analyzed.

During the second quarter of 2021, we performed an interim actuarial update of the majority of our casualty insurance programs that considered changes in claims development and claims payment activity for the period of November 1, 2020 through January 31, 2021 (the "Interim Update"). This Interim Update was abbreviated in nature based on actual versus expected developments during the periods analyzed and relied on the key assumptions in the Actuarial Review (most notably loss development patterns, trend assumptions, and underlying expected loss costs).

Based on the results of the Actuarial Review and Interim Update at April 30, 2021, we decreased our total reserves for known claims as well as our estimate of the loss amounts associated with incurred but not reported claims (“IBNR claims”) by \$17.4 million during the six months ended April 30, 2021; \$11.4 million of that amount relates to prior years. During the six months ended April 30, 2020, we decreased our total reserves related to prior year claims by \$6.6 million. We will continue to assess ongoing developments, which may result in further adjustments to reserves.

### Insurance Related Balances and Activity

<i>(in millions)</i>	April 30, 2021	October 31, 2020
Insurance claim reserves, excluding medical and dental	\$ 501.3	\$ 504.9
Medical and dental claim reserves	17.8	16.6
Insurance recoverables	70.2	70.1

At April 30, 2021 and October 31, 2020, insurance recoverables are included in both “Other current assets” and “Other noncurrent assets” on the accompanying unaudited Consolidated Balance Sheets.

### Instruments Used to Collateralize Our Insurance Obligations

<i>(in millions)</i>	April 30, 2021	October 31, 2020
Standby letters of credit	\$ 139.6	\$ 143.6
Surety bonds	85.4	82.6
Restricted insurance deposits	0.7	0.7
<b>Total</b>	<b>\$ 225.7</b>	<b>\$ 226.9</b>

## 7. CREDIT FACILITY

On September 1, 2017, we refinanced and replaced our then-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, both of which are scheduled to mature on September 1, 2022. In accordance with the terms of the Credit Facility, the revolving line of credit was reduced to \$800.0 million on September 1, 2018. 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. To further enhance our financial flexibility as a precautionary measure in response to uncertainty arising from the Pandemic, we amended our Credit Facility (the “Amendment”) on May 28, 2020.

The Amendment modified the financial covenants under the Credit Facility, including: (i) replacing a maximum total leverage ratio with a maximum total net leverage ratio that varies on a quarterly basis and adjusts to 4.00 to 1.00 by the quarter ending October 31, 2022; (ii) modifying the minimum fixed charge coverage ratio on a quarterly basis, which adjusts to 1.25 to 1.00 as of the quarter ending April 30, 2022; and (iii) adding a minimum liquidity (defined in the Amendment as domestic cash plus available revolving loans) of \$250.0 million. These financial covenants were effective with the quarter ended April 30, 2020. Our borrowing capacity is subject to, and limited by, compliance with these covenants. At April 30, 2021, we were in compliance with these covenants.

The Amendment also changed the interest rate, interest margins, and commitment fees applicable to loans and commitments under the Credit Facility. Prior to the Amendment, borrowings under the Credit Facility bore interest at a rate equal to 1-month LIBOR plus a spread that was based upon our leverage ratio. The spread ranged from 1.00% to 2.25% for Eurocurrency loans and 0.00% to 1.25% for base rate loans. We were also charged a commitment fee, which was paid quarterly in arrears and was based on our leverage ratio, that ranged from 0.200% to 0.350% on the average daily unused portion of the revolving 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 were included as outstanding under the line of credit.

Subsequent to the Amendment, borrowings under the Credit Facility bear interest at a rate equal to 1-month LIBOR plus a spread that is based upon our total leverage ratio. The spread ranges from 1.00% to 2.75% for revolving Eurocurrency loans and 0.00% to 1.75% for revolving base rate loans. At April 30, 2021, the weighted

average interest rate on our outstanding borrowings was 2.12%. We are also charged a commitment fee, which is paid quarterly in arrears and is based on our total leverage ratio, that ranges from 0.200% to 0.450% on the average daily unused portion of the revolving 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 revolving line of credit.

The Credit Facility also includes customary events of default, such as: failure to pay principal, interest, or fees when due; failure to comply with covenants; the occurrence of certain material judgments; and a change in control of the Company. If certain events of default occur, 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, 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 of \$18.7 million, consisting of \$13.4 million related to the term loan and \$5.2 million related to the line of credit, are being amortized to interest expense over the term of the Credit Facility. We incurred total fees of \$4.6 million in conjunction with the Amendment, the majority of which we capitalized in the quarter ended July 31, 2020, and are amortizing over the remaining term of the Credit Facility.

### Credit Facility Information

<i>(in millions)</i>	April 30, 2021	October 31, 2020
Current portion of long-term debt		
Gross term loan	\$ 120.0	\$ 120.0
Unamortized deferred financing costs	(3.0)	(3.3)
Current portion of term loan	\$ 117.0	\$ 116.7
Long-term debt		
Gross term loan	\$ 500.0	\$ 560.0
Unamortized deferred financing costs	(0.9)	(2.3)
Total noncurrent portion of term loan	499.1	557.7
Revolving line of credit <sup>(1)(2)</sup>	25.1	45.3
Long-term debt	\$ 524.2	\$ 603.0

<sup>(1)</sup> Standby letters of credit amounted to \$149.2 million at April 30, 2021.

<sup>(2)</sup> At April 30, 2021, we had borrowing capacity of \$622.1 million, reflecting covenant restrictions.

### Term Loan Maturities

During the three and six months ended April 30, 2021, we made principal payments under the term loan of \$30.0 million and \$60.0 million, respectively. As of April 30, 2021, the following principal payments are required under the term loan.

<i>(in millions)</i>	2021	2022
Debt maturities	\$ 60.0	\$ 560.0

### Interest Rate Swaps

We enter into interest rate swaps to manage the interest rate risk associated with our floating-rate, LIBOR-based borrowings. Under these arrangements, we typically pay a fixed interest rate in exchange for LIBOR-based variable interest throughout the life of the agreement. We initially report the mark-to-market gain or loss on a derivative as a component of accumulated other comprehensive loss ("AOCL") and subsequently reclassify the gain or loss into earnings when the hedged transactions occur and affect earnings. Interest payables and receivables under the swap agreements are accrued and recorded as adjustments to interest expense. All of our interest rate swaps have been designated and accounted for as cash flow hedges from inception. See Note 5, "Fair Value of Financial Instruments," regarding the valuation of our interest rate swaps.

Notional Amount	Fixed Interest Rate	Effective Date	Maturity Date
\$ 90.0 million	2.84%	November 1, 2018	October 31, 2021
\$ 130.0 million	2.86%	November 1, 2018	April 30, 2022
\$ 130.0 million	2.84%	November 1, 2018	September 1, 2022

At April 30, 2021 and October 31, 2020, amounts recorded in AOCL for interest rate swaps were a loss of \$1.3 million, net of taxes of \$0.1 million, and a loss of \$3.3 million, net of taxes of \$0.9 million, respectively. These amounts included the gain associated with the interest rate swaps we terminated in 2018, which is being amortized to interest expense as interest payments are made over the term of our Credit Facility. During the three and six months ended April 30, 2021, we amortized \$1.2 million, net of taxes of \$0.4 million, and \$2.3 million, net of taxes of \$0.9 million, respectively, of this gain to interest expense. During the three and six months ended April 30, 2020, we amortized \$1.2 million, net of taxes of \$0.5 million, and \$2.4 million, net of taxes of \$0.9 million, respectively. At April 30, 2021, the total amount expected to be reclassified from AOCL to earnings during the next twelve months is a loss of \$1.6 million, net of a tax benefit of \$0.4 million.

## 8. COMMITMENTS AND CONTINGENCIES

### 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 April 30, 2021, these letters of credit and surety bonds totaled \$149.2 million and \$600.7 million, respectively.

### Guarantees

In some instances, we offer clients guaranteed energy savings under certain energy savings contracts. At April 30, 2021, total guarantees were \$206.5 million and extend through 2041. 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.

### Sales Taxes

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 that 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 April 30, 2021, the total amount accrued for probable litigation losses where a reasonable estimate of the loss could be made was \$14.6 million. 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 \$8 million. Factors underlying this estimated range of loss may change from time to time, and actual results may vary significantly from this estimate. The amounts above do not include any accrual or loss estimates with respect to the Bucio case, which are detailed 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.

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.

### **Certain Legal Proceedings**

In determining whether to include any particular lawsuit or other proceeding in our disclosure below, 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 Bucio and Martinez v. ABM Janitorial Services filed on April 7, 2006, pending 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. There is also a claim for penalties under the California Labor Code Private Attorneys General Act ("PAGA"). 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. The case was remitted to the trial court for further proceedings on class certification, discovery, dispositive motions, and trial.

On September 20, 2018, the trial court entered an order defining four certified subclasses of janitors who were employed by the legacy ABM janitorial companies in California at any time between April 7, 2002 and April 30, 2013, on claims based on alleged previous automatic deduction practices for meal breaks, unpaid meal premiums, unpaid split shift premiums, and unreimbursed business expenses, such as mileage reimbursement for use of personal vehicles to travel between worksites. On February 1, 2019, the trial court held that the discovery related to PAGA claims allegedly arising after April 30, 2013 would be stayed until after the class and PAGA claims accruing prior to April 30, 2013 had been tried. The parties engaged in mediation in July 2019, which did not result in settlement of the case. On October 17, 2019, the plaintiffs filed a motion asking the trial court to certify additional classes based on an alleged failure to maintain time records, an alleged failure to provide accurate wage statements, and an alleged practice of combining meal and rest breaks. The trial court denied the plaintiffs' motion to certify additional classes on December 26, 2019. The case was re-assigned to a new judge on January 6, 2020. ABM filed motions for summary adjudication as to certain of plaintiffs' class claims, and the trial court denied those motions in November 2020. The parties engaged in another mediation in January 2021, which did not result in a settlement of the case. Plaintiffs filed motions for summary adjudication and/or summary judgment on some claims in December 2020.

In February and March 2021, the parties engaged in expert discovery which provided detailed information regarding the plaintiffs' damage calculations on the class claims. On February 25, 2021, the California Supreme Court issued an opinion in *Donohue v. AMN Services*, which addresses the standard for adjudicating meal period claims under California law and we believe is supportive of ABM's legal position in the *Bucio* case. On May 5, 2021, the trial court denied all of the plaintiffs' December 2020 motions for summary adjudication and/or summary judgment and the case was assigned to a new judge. On May 5, 2021, the trial court ordered the parties to attend a mandatory settlement conference before a separate judge on June 11, 2021. The Company filed a motion to decertify the classes on May 24, 2021, which is set for a hearing on June 28, 2021. The current trial date is July 12, 2021.

The Company denies that it has liability to the plaintiffs in this case and we believe we have strong legal arguments as to liability, damages, and to decertification of the classes. However, to the extent trial proceeds, and the plaintiffs are successful on all certified class claims, ABM estimates that, based on the plaintiffs' theories and damages model (with which the Company does not agree), the class claims damages award could range up to \$160 million. That said, if plaintiffs' most aggressive damages models and theories are credited, the class damages award could be significantly in excess of \$160 million. The PAGA claims and the plaintiffs' claim for attorneys' fees are not currently estimable, but an award of penalties under PAGA could be material as the statute provides for penalties per class member per pay period in which a violation of the California Labor Code has been proven, and Plaintiffs are seeking multiple PAGA penalties per class member per pay period. There is a wide range of potential exposure in this case in the event of an adverse verdict. Based on the expert discovery described above, the recent court rulings, and the range of potential exposure, the Company recorded a reserve of \$30 million for the quarter ended April 30, 2021.

As noted previously, litigation outcomes are difficult to predict, and the estimation of probable losses requires an analysis of multiple possible outcomes that often depend on judgments about potential actions by third parties. Accordingly, the recorded reserve of \$30 million for the quarter ended April 30, 2021 is based on a host of factors, considerations, and judgments, and the ultimate resolution of this matter could result in a loss in excess of the recorded reserve. Whether the ultimate resolution results in a loss in excess of the reserve already recorded will depend on many factors, including (but not limited to) settlement discussions, the unpredictable nature of juries, and court rulings. While we believe we have strong defenses to the claims in this proceeding and will continue to vigorously defend ourselves, there can be no assurance that the final resolution of this matter will not have a material adverse effect on our business, financial condition, results of operations, or cash flows.

## 9. INCOME TAXES

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Our quarterly tax provision is calculated using an estimated annual tax rate that is adjusted for discrete items occurring during the period to arrive at our effective tax rate. During the three and six months ended April 30, 2021, we had effective tax rates of 27.3% and 26.9%, respectively, resulting in provisions for taxes of \$11.7 million and \$38.9 million, respectively. During the three and six months ended April 30, 2020, we had effective tax rates of (8.4)% and (21.4)%, respectively, resulting in provisions for taxes of \$10.6 million and \$19.2 million, respectively. The effective tax rate for the three and six months ended April 30, 2020, excluding an impairment loss of non-deductible goodwill of \$163.8 million, was 28.1% and 25.9% respectively. The difference between the effective tax rate and statutory rate is primarily related to tax credits. The rate difference between periods is driven by increased income in 2021.

Our effective tax rate for the three months ended April 30, 2021 was not impacted by any significant discrete items. Our effective tax rate for the three months ended April 30, 2020 was impacted by an impairment loss of non-deductible goodwill as described in Note 5.

Our effective tax rate for the six months ended April 30, 2021 was not impacted by any significant discrete items. Our effective tax rate for the six months ended April 30, 2020 was impacted by an impairment loss of non-deductible goodwill as described in Note 5 and a \$1.5 million tax provision related to the Work Opportunity Tax Credit ("WOTC").

In response to COVID-19, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") on March 27, 2020. The CARES Act provides various tax provisions, including payroll tax provisions, which we have evaluated for applicability. Through December 31, 2020, we deferred approximately \$132 million of payroll tax, which the CARES Act requires to be remitted in equal parts by December 31, 2021 and December 31, 2022. The impact of the income tax provisions was not material.

We plan to reinvest our foreign earnings to fund future non-U.S. growth and expansion, and we do not anticipate remitting such earnings to the United States. While U.S. federal tax expense has been recognized as a result of the Tax Cuts and Jobs Act of 2017, no deferred tax liabilities with respect to federal and state income taxes or foreign withholding taxes have been recognized.

## 10. SEGMENT INFORMATION

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Our current reportable segments consist of B&I, T&M, Education, Aviation, and Technical Solutions, as further described below.

<b>REPORTABLE SEGMENTS AND DESCRIPTIONS</b>	
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 traditional hospitals and non-acute healthcare facilities. B&I also provides vehicle maintenance and other services to rental car providers.
T&M	T&M provides janitorial, facilities engineering, and parking services to industrial and high-tech manufacturing facilities.
Education	Education delivers janitorial, custodial, landscaping and grounds, facilities engineering, and parking services for public school districts, private schools, colleges, and universities.
Aviation	Aviation supports airlines and airports with services ranging from parking and janitorial to passenger assistance, catering logistics, air cabin maintenance, and transportation.
Technical Solutions	Technical Solutions specializes in mechanical and electrical services. These services can also be leveraged for cross-selling across all of our industry groups, both domestically and internationally.



## Financial Information by Reportable Segment

<i>(in millions)</i>	Three Months Ended April 30,		Six Months Ended April 30,	
	2021	2020	2021	2020
<b>Revenues</b>				
Business & Industry	\$ 796.2	\$ 785.6	\$ 1,605.6	\$ 1,606.5
Technology & Manufacturing	246.3	233.7	495.5	467.6
Education	214.2	200.1	423.6	408.0
Aviation	148.3	184.7	291.5	423.5
Technical Solutions	125.5	122.3	238.8	264.3
Elimination of inter-segment revenues	(33.1)	(30.4)	(65.2)	(61.0)
	<u>\$ 1,497.4</u>	<u>\$ 1,496.0</u>	<u>\$ 2,989.8</u>	<u>\$ 3,109.0</u>
<b>Operating profit (loss)</b>				
Business & Industry	\$ 85.3	\$ 59.2	\$ 171.0	\$ 97.4
Technology & Manufacturing	26.9	19.7	53.8	36.3
Education <sup>(1)</sup>	13.6	(85.8)	35.0	(74.6)
Aviation <sup>(2)</sup>	5.8	(60.5)	9.0	(54.9)
Technical Solutions <sup>(3)</sup>	10.2	(8.4)	16.3	(0.1)
Government Services	—	—	(0.1)	—
Corporate	(90.8)	(39.5)	(123.4)	(72.8)
Adjustment for income from unconsolidated affiliates, included in Aviation and Technical Solutions	(0.2)	(0.9)	(0.8)	(1.8)
Adjustment for tax deductions for energy efficient government buildings, included in Technical Solutions	(0.4)	(0.4)	(0.6)	(0.4)
	<u>50.3</u>	<u>(116.7)</u>	<u>160.1</u>	<u>(70.8)</u>
Income from unconsolidated affiliates	0.2	0.9	0.8	1.8
Interest expense	(7.8)	(10.5)	(16.3)	(20.7)
Income (loss) from continuing operations before income taxes	<u>\$ 42.8</u>	<u>\$ (126.2)</u>	<u>\$ 144.6</u>	<u>\$ (89.7)</u>

<sup>(1)</sup> Reflects impairment charges totaling \$99.3 million on goodwill during the three and six months ended April 30, 2020.

<sup>(2)</sup> Reflects impairment charges totaling \$61.1 million on goodwill and intangible assets during the three and six months ended April 30, 2020.

<sup>(3)</sup> Reflects impairment charges totaling \$12.4 million on goodwill and intangible assets during the three and six months ended April 30, 2020.

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 actuarial adjustments to self-insurance reserves, and direct acquisition costs. Management does not review asset information by segment, therefore we do not present assets in this note.



## ITEM 2. 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. This MD&A is provided as a supplement to, and should be read in conjunction with, our Financial Statements and our Annual Report on Form 10-K for the year ended October 31, 2020, which has been filed with the SEC. This MD&A contains forward-looking statements about our business, operations, and industry that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations, and intentions. Our future results and financial condition may be materially different from those we currently anticipate. See "Forward-Looking Statements" for more information.

Throughout the MD&A, amounts and percentages may not recalculate due to rounding. Unless otherwise indicated, all information in the MD&A and references to years are based on our fiscal years, which end on October 31.

### Business Overview

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

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### COVID-19 Pandemic

COVID-19 has resulted in a worldwide health Pandemic. To date, COVID-19 has surfaced in regions all around the world and resulted in business slowdowns and shutdowns, as well as global travel restrictions. We, along with many of our clients, have been impacted by recommendations and/or mandates from federal, state, and local authorities to practice social distancing, to refrain from gathering in groups, and, in some areas, to refrain from non-essential movements outside of homes. The Pandemic has also created unanticipated circumstances and uncertainty, disruption, and significant volatility in the broader economy. These factors have led to lower demand for some of our services in certain end-markets, particularly in our Aviation segment. Refer to "Consolidated Results of Operations" and "Results of Operations by Segment" for additional information related to the impact of the Pandemic on our financial results.

Given the unprecedented and uncertain nature and potential duration of this situation, we cannot reasonably estimate the full extent of the impact the Pandemic will have on our financial condition, results of operations, or cash flows. The ultimate extent of the effects of the Pandemic on our company is highly uncertain and will depend on future developments, and we may continue to experience adverse effects on our business, consolidated results of operations, financial position, and cash flows resulting from a recessionary economic environment that may persist.

Our priority has been and continues to be the health, safety, and support of our employees, our clients, and the communities that we serve. We have also taken actions to strengthen our liquidity, cash flows, and financial position to help mitigate potential future impacts on our operations and financial performance. These priorities and measures include, but are not limited to, the following:

#### *Health and Safety of our Employees and Clients*

As the Pandemic has developed, we have taken steps to support our employees and clients based on recommendations from various global experts, including the World Health Organization, the Centers for Disease Control and Prevention, the Occupational Safety and Health Administration, and the U.K. National Health Service. To help protect our employees and our clients, face masks and other personal protective equipment ("PPE") are being used by our employees. We have also encouraged our employees to practice social distancing and wash hands frequently. Additionally, we transitioned many office-based employees to a remote work environment, suspended non-essential travel, and adopted technologies to allow employees to effectively perform their functions remotely.

#### *Client Focus*

Over the past few years, we have focused on consolidating purchasing activities to leverage our scale and identify preferred suppliers. While we have seen a reduction in the availability of supplies and an

increase in costs, our procurement efforts have helped create a positive supply chain for our company and clients during the Pandemic. We will continue to monitor our supply chain for potential impacts as future developments unfold.

The Pandemic continues to create a dynamic client environment, and we are working diligently to ensure our clients' changing staffing and service needs are met. We developed new cleaning initiatives in accordance with various protocols issued by global experts, including deep cleaning services, special project cleaning services, and other work orders.

In April 2020, we announced our EnhancedClean™ Program ("EnhancedClean"), an innovative solution that helps provide clients with healthy spaces. We designed EnhancedClean under the guidance of experts on infectious diseases and industrial hygiene to help provide our clients with processes that use hospital-grade disinfectants, specialized equipment, and innovative solutions and technology. These solutions include: hygiene and safety protocols, utilization of disinfecting procedures and products for high-touch surfaces, employment of PPE, and communication and training protocols.

#### *Management of Direct Labor*

As we adapt to the changing demand environment resulting from the Pandemic, we continue to actively manage direct labor and related personnel costs, including furloughs or reduced hours for certain frontline employees in markets significantly impacted by business slowdowns and shutdowns.

#### *Liquidity, Cash Flows, and Financial Position*

As of April 30, 2021, we had \$435.7 million of cash and cash equivalents, and we had net cash provided by operating activities of \$171.2 million during the six months ended April 30, 2021. We have taken and continue to take actions to help preserve cash, increase liquidity, and strengthen our financial position, including:

- Amending our Credit Facility on May 28, 2020, to further enhance our financial flexibility as a precautionary measure in response to uncertainty arising from the Pandemic (refer to "Liquidity and Capital Resources" for more information);
- Focusing on collection of client receivables and monitoring the adequacy of our reserves;
- Extending vendor payment terms where possible;
- Utilizing certain governmental relief efforts (as further described below); and
- Suspending share repurchases under our share repurchase program.

In response to the Pandemic, Congress enacted the CARES Act on March 27, 2020. The CARES Act provides various tax provisions, including payroll tax provisions, which we have evaluated for applicability. Through December 31, 2020, we deferred approximately \$132 million of payroll tax, which the CARES Act requires to be remitted in equal parts by December 31, 2021 and December 31, 2022. The impact of the income tax provisions was not material. Additionally, we received grants under the United Kingdom's job retention scheme to reimburse us for a portion of certain furloughed employees' salaries.

As a result of the actions taken above, we were able to strengthen our cash flow during the second quarter. As of April 30, 2021, this resulted in a borrowing capacity of \$622.1 million, reflecting covenant restrictions, in addition to the cash and cash equivalents amount noted above.

#### **Insurance**

We review our self-insurance liabilities on a regular basis and adjust our accruals accordingly. Actual claims activity or development may vary from our assumptions and estimates, which may result in material losses or gains. As we obtain additional information that affects the assumptions and estimates used in our reserve liability calculations, we adjust our self-insurance rates and reserves for future periods and, if appropriate, adjust our reserves for claims incurred in prior accounting periods.

During the first quarter of 2021, we performed a comprehensive actuarial review of the majority of our casualty insurance programs to evaluate changes made to claims reserves and claims payment activity for the






period of May 1, 2020 through October 31, 2020. The Actuarial Review was comprehensive in nature and was based on loss development patterns, trend assumptions, and underlying expected loss costs during the period analyzed.

During the second quarter of 2021, we performed an interim actuarial update of the majority of our casualty insurance programs that considered changes in claims development and claims payment activity for the period of November 1, 2020 through January 31, 2021. This Interim Update was abbreviated in nature based on actual versus expected developments during the periods analyzed and relied on the key assumptions in the Actuarial Review (most notably loss development patterns, trend assumptions, and underlying expected loss costs).

The claims management strategies and programs that we have implemented have resulted in improvements. Furthermore, we continue to adjust our reserves consistent with known fact patterns. The Actuarial Review and Interim Update again demonstrated that the changes we have made to our risk management programs continue to positively impact the frequency and severity of claims. Based on the results of the Actuarial Review and Interim Update at April 30, 2021, we decreased our total reserves for known claims as well as our estimate of the loss amounts associated with IBNR claims by \$17.4 million during the six months ended April 30, 2021; \$11.4 million of that amount relates to prior years. During the six months ended April 30, 2020, we decreased our total reserves related to prior year claims by \$6.6 million. We will continue to assess ongoing developments, which may result in further adjustments to reserves.

## Segment Reporting

Our current reportable segments consist of B&I, T&M, Education, Aviation, and Technical Solutions, as further described below.

REPORTABLE SEGMENTS AND DESCRIPTIONS	
 Business & Industry	B&I, our largest reportable segment, encompasses janitorial, facilities engineering, and parking services for commercial real estate properties, sports and entertainment venues, and traditional hospitals and non-acute healthcare facilities. B&I also provides vehicle maintenance and other services to rental car providers.
 Technology & Manufacturing	T&M provides janitorial, facilities engineering, and parking services to industrial and high-tech manufacturing facilities.
 Education	Education delivers janitorial, custodial, landscaping and grounds, facilities engineering, and parking services for public school districts, private schools, colleges, and universities.
 Aviation	Aviation supports airlines and airports with services ranging from parking and janitorial to passenger assistance, catering logistics, air cabin maintenance, and transportation.
 Technical Solutions	Technical Solutions specializes in mechanical and electrical services. These services can also be leveraged for cross-selling across all of our industry groups, both domestically and internationally.

## Key Financial Highlights

- Revenues increased by \$1.4 million, or 0.1%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020, primarily due to an increase in work orders as a result of the Pandemic, and the expansion of certain accounts and new business within B&I and T&M. However, this increase was offset by Pandemic-related disruptions across our businesses.
- We had an operating profit of \$50.3 million during the three months ended April 30, 2021, as compared to an operating loss of \$116.7 million during the three months ended April 30, 2020. This change was primarily driven by the absence of impairment charges recorded on goodwill and intangible assets totaling \$172.8 million during the three months ended April 30, 2020. This change was also positively impacted by an increase in work orders with higher margins as a result of the Pandemic (primarily within B&I and T&M) and the management of direct labor and related personnel costs during the Pandemic. These benefits were partially offset by account compression resulting from Pandemic-related disruptions in certain markets and increased legal costs and settlements.
- Our effective tax rate on income from continuing operations was 27.3% for the three months ended April 30, 2021, as compared to (8.4)% for the three months ended April 30, 2020. Our effective tax rate for the three months ended April 30, 2020 was impacted by a non-deductible impairment loss of \$163.8 million.
- Net cash provided by operating activities was \$171.2 million during the six months ended April 30, 2021. This includes the deferred remittance of payroll taxes under the CARES Act.
- Dividends of \$25.4 million were paid to shareholders and dividends totaling \$0.380 per common share were declared during the six months ended April 30, 2021.
- At April 30, 2021, total outstanding borrowings under our Credit Facility were \$645.1 million. At April 30, 2021, we had up to \$622.1 million of borrowing capacity, reflecting covenant restrictions.

## Results of Operations

### Three Months Ended April 30, 2021 Compared with the Three Months Ended April 30, 2020

#### Consolidated

(in millions, except per share amounts)	Three Months Ended April 30,		Increase / (Decrease)	
	2021	2020		
<b>Revenues</b>	\$ 1,497.4	\$ 1,496.0	\$ 1.4	0.1%
Operating expenses	1,274.5	1,306.1	(31.6)	(2.4)%
<i>Gross margin</i>	14.9 %	12.7 %	220 bps	
Selling, general and administrative expenses	161.9	119.4	42.5	35.6%
Restructuring and related expenses	—	1.8	(1.8)	NM*
Amortization of intangible assets	10.7	12.5	(1.8)	(14.5)%
Impairment loss	—	172.8	(172.8)	NM*
<b>Operating profit (loss)</b>	50.3	(116.7)	167.0	NM*
Income from unconsolidated affiliates	0.2	0.9	(0.7)	(75.8)%
Interest expense	(7.8)	(10.5)	2.7	25.5%
Income (loss) from continuing operations before income taxes	42.8	(126.2)	169.0	NM*
Income tax provision	(11.7)	(10.6)	(1.1)	10.3%
Income (loss) from continuing operations	31.1	(136.8)	167.9	NM*
Income from discontinued operations, net of taxes	—	—	—	NM*
<b>Net income (loss)</b>	31.1	(136.8)	167.9	NM*
Other comprehensive income (loss)				
Interest rate swaps	1.6	(8.7)	10.3	NM*
Foreign currency translation and other	1.2	(4.2)	5.4	NM*
Income tax (provision) benefit	(0.4)	2.4	(2.8)	NM*
<b>Comprehensive income (loss)</b>	\$ 33.4	\$ (147.3)	\$ 180.7	NM*

\*Not meaningful

#### Revenues

Revenues increased by \$1.4 million, or 0.1%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. This increase was primarily due to an increase in work orders as a result of the Pandemic, and the expansion of certain accounts and new business within B&I and T&M. However, this increase was offset by Pandemic-related disruptions across our businesses.

#### Operating Expenses

Operating expenses decreased by \$31.6 million, or 2.4%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. Gross margin increased by 220 bps to 14.9% in the three months ended April 30, 2021 from 12.7% in the three months ended April 30, 2020. The increase in gross margin was primarily associated with an increase in work orders with higher margins as a result of the Pandemic (primarily within B&I and T&M) and the management of direct labor and related personnel costs during the Pandemic. The increase in gross margin was also driven by self-insurance reserve adjustments. These benefits were partially offset by account compression resulting from Pandemic-related disruptions in certain markets.

#### Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by \$42.5 million, or 35.6%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. The increase in selling, general and administrative expenses was primarily attributable to:

- a \$32.2 million increase in legal costs and settlements, of which \$30 million was attributed to the accrual of a legal reserve for the Bucio case;

- a \$14.5 million increase in certain technology projects and other enterprise initiatives, including marketing events; and
- an \$11.7 million increase in compensation and related expenses, primarily driven by updated assessments regarding financial performance target achievements in connection with certain performance share awards; during the three months ended April 30, 2020, we recorded a reversal of shared-based compensation expense based upon our then current assessment of probable financial achievements for such awards.

This increase was partially offset by:

- a \$9.9 million decrease in bad debt expense, primarily associated with higher reserves established for client receivables in the prior year, due to increasing credit risk resulting from the Pandemic; and
- the absence of a \$3.9 million medical and dental insurance expense as a result of an actuarial evaluation performed in the prior year.

### ***Restructuring and Related Expenses***

Restructuring and related expenses decreased by \$1.8 million during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. We substantially completed the restructuring program by the end of fiscal year 2020.

### ***Amortization of Intangible Assets***

Amortization of intangible assets decreased by \$1.8 million, or 14.5%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. The decrease was due to a lower intangible assets balance resulting from the impairment loss recorded in the second quarter of 2020 and to certain intangible assets being amortized using the sum-of-the-years'-digits method, which results in declining amortization expense over the useful lives of the assets.

### ***Impairment Loss***

During the three months ended April 30, 2020, we recorded impairment charges on goodwill related to our Education, Aviation, and U.K. Technical Solutions businesses totaling \$163.8 million. Additionally, we recorded impairment charges on customer relationships related to our Aviation and U.K. Technical Solutions businesses totaling \$9.0 million. During the second quarter of 2020, these businesses were adversely impacted by the market and business conditions resulting from the Pandemic. We did not record any impairment charges to goodwill or intangible assets for the three months ended April 30, 2021.

### ***Interest Expense***

Interest expense decreased by \$2.7 million, or 25.5%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020, primarily due to lower relative interest rates in the current year and lower outstanding borrowings under our credit facility.

### ***Income Taxes from Continuing Operations***

Our effective tax rates on income from continuing operations for the three months ended April 30, 2021 and April 30, 2020 were 27.3% and (8.4)%, respectively, resulting in provisions for taxes of \$11.7 million and \$10.6 million, respectively. The effective tax rate for the three months ended April 30, 2020, excluding a nondeductible impairment loss of \$163.8 million, was 28.1%.

Our effective tax rate for the three months ended April 30, 2021 was not impacted by any significant discrete items. Our effective tax rate for the three months ended April 30, 2020 was impacted by the non-deductible impairment loss. The difference between the effective tax rate and statutory rate is primarily related to tax credits. The rate difference between periods is driven by increased income in 2021.

### ***Interest Rate Swaps***

We had a gain of \$1.6 million on interest rate swaps during the three months ended April 30, 2021, as compared to a loss of \$8.7 million during the three months ended April 30, 2020, primarily due to underlying changes in the fair value of our interest rate swaps.

### ***Foreign Currency Translation***

We had a foreign currency translation gain of \$1.2 million during the three months ended April 30, 2021, as compared to a foreign currency translation loss of \$4.2 million during the three months ended April 30, 2020. This change was due to fluctuations in the exchange rate between the U.S. Dollar ("USD") and the Great Britain Pound ("GBP"). 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

<i>(in millions)</i>	Three Months Ended April 30,		Increase / (Decrease)	
	2021	2020		
<b>Revenues</b>				
Business & Industry	\$ 796.2	\$ 785.6	\$ 10.6	1.4%
Technology & Manufacturing	246.3	233.7	12.6	5.4%
Education	214.2	200.1	14.1	7.0%
Aviation	148.3	184.7	(36.4)	(19.7)%
Technical Solutions	125.5	122.3	3.2	2.6%
Elimination of inter-segment revenues	(33.1)	(30.4)	(2.7)	(9.0)%
	<u>\$ 1,497.4</u>	<u>\$ 1,496.0</u>	<u>\$ 1.4</u>	<u>0.1%</u>
<b>Operating profit (loss)</b>				
Business & Industry	\$ 85.3	\$ 59.2	\$ 26.1	44.1%
Operating profit margin	10.7 %	7.5 %	318 bps	
Technology & Manufacturing	26.9	19.7	7.2	36.6%
Operating profit margin	10.9 %	8.4 %	249 bps	
Education	13.6	(85.8)	99.4	NM*
Operating margin	6.3 %	(42.9)%	NM*	
Aviation	5.8	(60.5)	66.3	NM*
Operating margin	3.9 %	(32.7)%	NM*	
Technical Solutions	10.2	(8.4)	18.6	NM*
Operating margin	8.2 %	(6.9)%	NM*	
Corporate	(90.8)	(39.5)	(51.3)	NM*
Adjustment for income from unconsolidated affiliates, included in Aviation and Technical Solutions	(0.2)	(0.9)	0.7	75.8%
Adjustment for tax deductions for energy efficient government buildings, included in Technical Solutions	(0.4)	(0.4)	—	1.6%
	<u>\$ 50.3</u>	<u>\$ (116.7)</u>	<u>\$ 167.0</u>	<u>NM*</u>

\*Not meaningful

### Business & Industry

<i>(\$ in millions)</i>	Three Months Ended April 30,		Increase	
	2021	2020		
Revenues	\$ 796.2	\$ 785.6	\$ 10.6	1.4%
Operating profit	85.3	59.2	26.1	44.1%
Operating profit margin	10.7 %	7.5 %	318 bps	

B&I revenues increased by \$10.6 million, or 1.4%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. The increase was primarily attributable to the targeted expansion of certain key clients and an increase in work orders (primarily as a result of the Pandemic). The increase was partially offset by account compression resulting from Pandemic-related disruptions in certain markets within both our U.S. and U.K. businesses. Management reimbursement revenues for this segment totaled \$43.2 million and \$61.7 million for the three months ended April 30, 2021 and 2020, respectively.

Operating profit increased by \$26.1 million, or 44.1%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. Operating profit margin increased by 318 bps to 10.7% in the three months ended April 30, 2021, from 7.5% in the three months ended April 30, 2020. The increase in operating profit margin was primarily associated with an increase in work orders, which have higher margins. Additionally, the increase in operating profit margin was impacted by higher margins on certain accounts in both our U.S. and U.K. businesses and a decrease in bad debt expense as higher reserves were recorded in the prior year mainly associated with increasing credit risk resulting from the Pandemic.



## Technology & Manufacturing

(\$ in millions)	Three Months Ended April 30,			Increase	
	2021	2020			
Revenues	\$ 246.3	\$ 233.7	\$	12.6	5.4%
Operating profit	26.9	19.7		7.2	36.6%
Operating profit margin	10.9 %	8.4 %		249 bps	

T&M revenues increased by \$12.6 million, or 5.4%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. The increase was primarily attributable to an increase in work orders (primarily as a result of the Pandemic) and new business. This increase was partially offset by the compression of certain accounts, mainly resulting from Pandemic-related disruptions.

Operating profit increased by \$7.2 million, or 36.6%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. Operating profit margin increased by 249 bps to 10.9% in the three months ended April 30, 2021, from 8.4% in the three months ended April 30, 2020. The increase in operating profit margin was primarily attributable to a decrease in bad debt expense, driven by net recoveries of certain previously reserved receivables, and higher margins on work orders.

## Education

(\$ in millions)	Three Months Ended April 30,			Increase	
	2021	2020			
Revenues	\$ 214.2	\$ 200.1	\$	14.1	7.0%
Operating profit (loss)	13.6	(85.8)		99.4	NM*
Operating margin	6.3 %	(42.9)%		NM*	

\*Not meaningful

Education revenues increased by \$14.1 million, or 7.0%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. The increase was primarily attributable to an increase in work orders (primarily as a result of the Pandemic).

We had an operating profit of \$13.6 million during the three months ended April 30, 2021, as compared to an operating loss of \$85.8 million during the three months ended April 30, 2020. Operating margin increased to 6.3% in the three months ended April 30, 2021 from (42.9)% in the three months ended April 30, 2020. The increase in operating margin was primarily attributable to the absence of prior year impairment charges of \$99.3 million on goodwill due to the adverse impact of market and business conditions resulting from the Pandemic. Additionally, the increase in operating profit margin was impacted by an increase in work orders with higher margins as a result of the Pandemic and lower reserves established for client receivables. Operating margin was negatively impacted by increased direct labor costs in concentrated geographies due to a limited labor supply in those regions that impacted certain customer contracts.

## Aviation

(\$ in millions)	Three Months Ended April 30,			(Decrease) / Increase	
	2021	2020			
Revenues	\$ 148.3	\$ 184.7	\$	(36.4)	(19.7)%
Operating profit (loss)	5.8	(60.5)		66.3	NM*
Operating margin	3.9 %	(32.7)%		NM*	

\*Not meaningful

Aviation revenues decreased by \$36.4 million, or 19.7%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. The decrease was primarily attributable to travel restrictions and a dramatic decline in passenger demand resulting from the Pandemic. Significant volume reductions impacted janitorial, cabin cleaning, transportation, parking, passenger services, and catering accounts. The decrease was partially offset by Pandemic-related cleaning services and new parking-related services. Management reimbursement revenues for this segment totaled \$12.9 million and \$20.7 million for the three months ended April 30, 2021 and 2020, respectively.

We had an operating profit of \$5.8 million during the three months ended April 30, 2021, as compared to an operating loss of \$60.5 million during the three months ended April 30, 2020. Operating margin increased to 3.9% in the three months ended April 30, 2021 from (32.7)% in the three months ended April 30, 2020. The increase was primarily attributable to the absence of prior year impairment charges of \$55.5 million on goodwill and \$5.6 million on customer relationships due to the adverse impact of market and business conditions resulting from the Pandemic. Additionally, operating margin increased due to the management of direct labor and related personnel costs during the Pandemic, higher margins on Pandemic-related cleaning services, and growth in parking and transportation contracts. These increases were partially offset by Pandemic-related volume reductions.

#### Technical Solutions

(\$ in millions)	Three Months Ended April 30,		Increase	
	2021	2020		
Revenues	\$ 125.5	\$ 122.3	\$ 3.2	2.6%
Operating profit (loss)	10.2	(8.4)	18.6	NM*
Operating margin	8.2 %	(6.9)%	NM*	

\*Not meaningful

Technical Solutions revenues increased by \$3.2 million, or 2.6%, during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. This increase was primarily attributable to an increase in the volume of our U.S. and U.K. businesses due to the easing of Pandemic-related lockdowns, which provided access to facilities that were previously restricted.

We had an operating profit of \$10.2 million during the three months ended April 30, 2021, as compared to an operating loss of \$8.4 million during the three months ended April 30, 2020. Operating margin increased to 8.2% in the three months ended April 30, 2021 from (6.9)% in the three months ended April 30, 2020. The increase in operating margin was primarily attributable to the absence of prior year impairment charges of \$9.0 million on goodwill and \$3.4 million on customer relationships related to our U.K. business due to the adverse impact of market and business conditions resulting from the Pandemic. Additionally, operating margin was positively impacted by the management of indirect operating expenses and selling expenses.

#### Corporate

(\$ in millions)	Three Months Ended April 30,		Increase	
	2021	2020		
Corporate expenses	\$ (90.8)	\$ (39.5)	\$ 51.3	NM*

Corporate expenses increased by \$51.3 million during the three months ended April 30, 2021, as compared to the three months ended April 30, 2020. The increase in corporate expenses was primarily attributable to:

- a \$32.0 million increase in legal costs and settlements, of which \$30 million was attributed to the accrual of a legal reserve for the Bucio case;
- a \$14.5 million increase in certain technology projects and other enterprise initiatives including marketing events; and
- a \$13.7 million increase in compensation and related expenses, primarily driven by updated assessments regarding financial performance target achievements in connection with certain performance share awards; during the three months ended April 30, 2020, we recorded a reversal of shared-based compensation expense based upon our then current assessment of probable financial achievements for such awards.

This increase was partially offset by:

- the absence of a \$3.9 million medical and dental insurance expense as a result of an actuarial evaluation performed in the prior year;
- a \$1.8 million decrease in restructuring and related expenses due to the completion of our restructuring program in fiscal year 2020; and

- the absence of a \$1.3 million reserve established for an outstanding client receivable that was being litigated in the prior year and deemed to be uncollectible.

## Results of Operations

### Six Months Ended April 30, 2021 Compared with the Six Months Ended April 30, 2020

#### Consolidated

<i>(in millions)</i>	Six Months Ended April 30,		Increase / (Decrease)	
	2021	2020		
<b>Revenues</b>	\$ 2,989.8	\$ 3,109.0	\$ (119.2)	(3.8)%
Operating expenses	2,523.8	2,739.9	(216.1)	(7.9)%
<i>Gross margin</i>	15.6 %	11.9 %	371 bps	
Selling, general and administrative expenses	284.5	237.0	47.5	20.0%
Restructuring and related	—	5.0	(5.0)	NM*
Amortization of intangible assets	21.5	25.1	(3.6)	(14.6)%
Impairment loss	—	172.8	(172.8)	NM*
<b>Operating profit (loss)</b>	160.1	(70.8)	230.9	NM*
Income from unconsolidated affiliates	0.8	1.8	(1.0)	(54.2)%
Interest expense	(16.3)	(20.7)	4.4	21.3%
Income (loss) from continuing operations before income taxes	144.6	(89.7)	234.3	NM*
Income tax provision	(38.9)	(19.2)	(19.7)	NM*
Income (loss) from continuing operations	105.7	(108.9)	214.6	NM*
Income from discontinued operations, net of taxes	—	0.1	(0.1)	NM*
<b>Net income (loss)</b>	105.7	(108.8)	214.5	NM*
Other comprehensive income (loss)				
Interest rate swaps	2.8	(9.9)	12.7	NM*
Foreign currency translation and other	5.2	(3.8)	9.0	NM*
Income tax (provision) benefit	(0.8)	2.7	(3.5)	NM*
<b>Comprehensive income (loss)</b>	\$ 112.9	\$ (119.8)	\$ 232.7	NM*

\*Not meaningful

#### Revenues

Revenues decreased by \$119.2 million, or 3.8%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. The decrease was primarily due to the impact of Pandemic-related disruptions across our businesses. However, this decrease was partially offset by an increase in work orders, primarily as a result of the Pandemic, and the expansion of certain accounts and new business within B&I and T&M.

#### Operating Expenses

Operating expenses decreased by \$216.1 million, or 7.9%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. Gross margin increased by 371 bps to 15.6% in the six months ended April 30, 2021 from 11.9% in the six months ended April 30, 2020. The increase in gross margin was primarily associated with an increase in work orders with higher margins as a result of the Pandemic (primarily within B&I and T&M) and the management of direct labor and related personnel costs during the Pandemic. The increase in gross margin was also driven by self-insurance reserve adjustments. These benefits were partially offset by account compression resulting from Pandemic-related disruptions in certain markets.

#### Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by \$47.5 million, or 20.0%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. The increase in selling, general and administrative expenses was primarily attributable to:

- a \$32.6 million increase in legal costs and settlements, of which \$30 million was attributed to the accrual of a legal reserve for the Bucio case;

- a \$17.2 million increase in certain technology projects and other enterprise initiatives, including marketing events; and
- an \$11.2 million increase in compensation and related expenses, primarily driven by updated assessments regarding financial performance target achievements in connection with certain performance share awards; during the six months ended April 30, 2020, we recorded a reversal of shared-based compensation expense based upon our then current assessment of probable financial achievements for such awards.

This increase was partially offset by:

- a \$9.3 million decrease in bad debt expense, primarily associated with higher reserves established for client receivables in the prior year due to increasing credit risk resulting from the Pandemic; and
- the absence of a \$3.9 million medical and dental insurance expense as a result of an actuarial evaluation performed in the prior year.

### ***Restructuring and Related Expenses***

Restructuring and related expenses decreased by \$5.0 million during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. We substantially completed the restructuring program by the end of fiscal year 2020.

### ***Amortization of Intangible Assets***

Amortization of intangible assets decreased by \$3.6 million, or 14.6%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. This decrease was due to the lower intangible assets balance resulting from the impairment loss recorded in the second quarter of 2020 and to certain intangible assets being amortized using the sum-of-the-years'-digits method, which results in declining amortization expense over the useful lives of the assets.

### ***Impairment Loss***

During the six months ended April 30, 2020, we recorded impairment charges on goodwill related to our Education, Aviation, and U.K. Technical Solutions businesses totaling \$163.8 million. Additionally, we recorded impairment charges on customer relationships related to our Aviation and U.K. Technical Solutions businesses totaling \$9.0 million. During the second quarter of 2020, these businesses were adversely impacted by the market and business conditions resulting from the Pandemic. We did not record any impairment charges to goodwill or intangible assets for the six months ended April 30, 2021.

### ***Interest Expense***

Interest expense decreased by \$4.4 million, or 21.3%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020, primarily due to lower relative interest rates in the current year and lower outstanding borrowings under our credit facility.

### ***Income Taxes from Continuing Operations***

Our effective tax rates on income from continuing operations, for the six months ended April 30, 2021 and April 30, 2020 were 26.9% and (21.4)%, respectively, resulting in provisions for taxes of \$38.9 million and \$19.2 million, respectively. The effective tax rate for the six months ended April 30, 2020, excluding a nondeductible impairment loss of \$163.8 million, was 25.9%.

Our effective tax rate for the six months ended April 30, 2021 was not impacted by any significant discrete items. Our effective tax rate for the six months ended April 30, 2020 was impacted by the impairment of non-deductible goodwill and a \$1.5 million tax provision related to WOTC. The difference between the effective tax rate and statutory rate is primarily related to tax credits. The rate difference between periods is driven by increased income in 2021.

### ***Interest Rate Swaps***

We had a gain of \$2.8 million on interest rate swaps during the three months ended April 30, 2021, as compared to a loss of \$9.9 million during the three months ended April 30, 2020, primarily due to underlying changes in the fair value of our interest rate swaps.

### ***Foreign Currency Translation***

We had a foreign currency translation gain of \$5.2 million during the six months ended April 30, 2021, as compared to a foreign currency translation loss of \$3.8 million during the six months ended April 30, 2020. This change was due to fluctuations in the exchange rate between the USD and the GBP. 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

<i>(in millions)</i>	Six Months Ended April 30,		Increase / (Decrease)	
	2021	2020		
<b>Revenues</b>				
Business & Industry	\$ 1,605.6	\$ 1,606.5	\$ (0.9)	(0.1)%
Technology & Manufacturing	495.5	467.6	27.9	6.0%
Education	423.6	408.0	15.6	3.8%
Aviation	291.5	423.5	(132.0)	(31.2)%
Technical Solutions	238.8	264.3	(25.5)	(9.7)%
Elimination of inter-segment revenues	(65.2)	(61.0)	(4.2)	(6.9)%
	<u>\$ 2,989.8</u>	<u>\$ 3,109.0</u>	<u>\$ (119.2)</u>	<u>(3.8)%</u>
<b>Operating profit (loss)</b>				
Business & Industry	\$ 171.0	\$ 97.4	\$ 73.6	75.5%
Operating profit margin	10.6 %	6.1 %	458 bps	
Technology & Manufacturing	53.8	36.3	17.5	47.9%
Operating profit margin	10.8 %	7.8 %	307 bps	
Education	35.0	(74.6)	109.6	NM*
Operating margin	8.3 %	(18.3)%	NM*	
Aviation	9.0	(54.9)	63.9	NM*
Operating margin	3.1 %	(13.0)%	NM*	
Technical Solutions	16.3	(0.1)	16.4	NM*
Operating margin	6.8 %	0.0 %	684 bps	
Government Services	(0.1)	—	(0.1)	NM*
Operating margin	—	—	— bps	
Corporate	(123.4)	(72.8)	(50.6)	(69.4)%
Adjustment for income from unconsolidated affiliates, included in Aviation and Technical Solutions	(0.8)	(1.8)	1.0	54.2%
Adjustment for tax deductions for energy efficient government buildings, included in Technical Solutions	(0.6)	(0.4)	(0.2)	(45.9)%
	<u>\$ 160.1</u>	<u>\$ (70.8)</u>	<u>\$ 230.9</u>	<u>NM*</u>

\*Not meaningful

### Business & Industry

<i>(\$ in millions)</i>	Six Months Ended April 30,		(Decrease) / Increase	
	2021	2020		
Revenues	\$ 1,605.6	\$ 1,606.5	\$ (0.9)	(0.1)%
Operating profit	171.0	97.4	73.6	75.5%
Operating profit margin	10.6 %	6.1 %	458 bps	

B&I revenues decreased by \$0.9 million, or 0.1%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. The decrease was primarily attributable to account compression resulting from Pandemic-related disruptions in certain markets within both our U.S. and U.K. businesses. The decrease was mostly offset by the targeted expansion of certain key clients, new business, and an increase in work orders (primarily as a result of the Pandemic). Management reimbursement revenues for this segment totaled \$86.6 million and \$135.4 million for the six months ended April 30, 2021 and 2020, respectively.

Operating profit increased by \$73.6 million, or 75.5%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. Operating profit margin increased by 458 bps to 10.6% in the six months ended April 30, 2021, from 6.1% in the six months ended April 30, 2020. The increase in operating profit margin was primarily associated with higher margins on certain accounts in both our U.S. and U.K. businesses.

Additionally, the increase in operating profit margin was impacted by an increase in work orders, which have higher margins.

### Technology & Manufacturing

(\$ in millions)	Six Months Ended April 30,		Increase	
	2021	2020		
Revenues	\$ 495.5	\$ 467.6	\$ 27.9	6.0%
Operating profit	53.8	36.3	17.5	47.9%
Operating profit margin	10.8 %	7.8 %	307 bps	

T&M revenues increased by \$27.9 million, or 6.0%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. The increase was primarily attributable to an increase in work orders (primarily as a result of the Pandemic) and new business. This increase was partially offset by the compression of certain accounts, mainly resulting from Pandemic-related disruptions.

Operating profit increased by \$17.5 million, or 47.9%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. Operating profit margin increased by 307 bps to 10.8% in the six months ended April 30, 2021, from 7.8% in the six months ended April 30, 2020. The increase in operating profit margin was primarily attributable to higher margins on work orders and a decrease in bad debt expense, driven by net recoveries of certain previously reserved receivables.

### Education

(\$ in millions)	Six Months Ended April 30,		Increase	
	2021	2020		
Revenues	\$ 423.6	\$ 408.0	\$ 15.6	3.8%
Operating profit (loss)	35.0	(74.6)	109.6	NM*
Operating margin	8.3 %	(18.3)%	NM*	

\*Not meaningful

Education revenues increased by \$15.6 million, or 3.8%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. The increase was primarily attributable to an increase in work orders (primarily as a result of the Pandemic).

Education had an operating profit of \$35.0 million during the six months ended April 30, 2021, as compared to an operating loss of \$74.6 million during the six months ended April 30, 2020. Operating margin increased to 8.3% in the six months ended April 30, 2021 from (18.3)% in the six months ended April 30, 2020. The increase in operating margin was primarily attributable to the absence of prior year impairment charges of \$99.3 million on goodwill due to the adverse impact of market and business conditions resulting from the Pandemic. Additionally, the increase in operating margin was impacted by an increase in work orders with higher margins as a result of the Pandemic. Operating margin was negatively impacted by increased direct labor costs in concentrated geographies due to a limited labor supply in those regions that impacted certain customer contracts.

### Aviation

(\$ in millions)	Six Months Ended April 30,		(Decrease) / Increase	
	2021	2020		
Revenues	\$ 291.5	\$ 423.5	\$ (132.0)	(31.2)%
Operating profit (loss)	9.0	(54.9)	63.9	NM*
Operating margin	3.1 %	(13.0)%	NM*	

\*Not meaningful

Aviation revenues decreased by \$132.0 million, or 31.2%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. The decrease was primarily attributable to travel restrictions and a dramatic decline in passenger demand resulting from the Pandemic. Significant volume reductions impacted janitorial, cabin cleaning, transportation, parking, passenger services, and catering accounts. The decrease was partially offset by Pandemic-related cleaning services and new parking-related services. Management



reimbursement revenues for this segment totaled \$26.5 million and \$46.6 million for the six months ended April 30, 2021 and 2020, respectively.

Aviation had an operating profit of \$9.0 million during the six months ended April 30, 2021, as compared to an operating loss of \$54.9 million during the six months ended April 30, 2020. Operating margin increased to 3.1% in the six months ended April 30, 2021, from (13.0)% in the six months ended April 30, 2020. The increase in operating margin was primarily attributable to the absence of prior year impairment charges of \$55.5 million on goodwill and \$5.6 million on customer relationships due to the adverse impact of market and business conditions resulting from the Pandemic. Additionally, operating margin increased due to the management of direct labor and related personnel costs during the Pandemic, higher margins on Pandemic-related cleaning services, and growth in parking and transportation contracts. These increases were partially offset by Pandemic-related volume reductions.

#### Technical Solutions

(\$ in millions)	Six Months Ended April 30,		(Decrease) / Increase	
	2021	2020		
Revenues	\$ 238.8	\$ 264.3	\$ (25.5)	(9.7)%
Operating profit (loss)	16.3	(0.1)	16.4	NM*
Operating margin	6.8 %	0.0 %	684 bps	

\*Not meaningful

Technical Solutions revenues decreased by \$25.5 million, or 9.7%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. The decrease was primarily attributable to a slower than expected ability to convert our active projects, otherwise defined as churn rate, due to regional access restrictions in our U.S. business resulting from the Pandemic.

We had an operating profit of \$16.3 million during the six months ended April 30, 2021, as compared to an operating loss of \$0.1 million during the six months ended April 30, 2020. Operating margin increased by 684 bps to 6.8% in the six months ended April 30, 2021 from 0.0% in the six months ended April 30, 2020. The increase in operating profit margin was primarily attributable to the absence of prior year impairment charges of \$9.0 million on goodwill and \$3.4 million on customer relationships related to our U.K. business due to the adverse impact of market and business conditions resulting from the Pandemic. Additionally, the increase in profit margin was positively impacted by the management of indirect operating expenses and selling expenses. The increase was partially offset by revenue compression resulting from Pandemic-related disruptions.

## Corporate

(\$ in millions)	Six Months Ended April 30,		Increase	
	2021	2020		
Corporate expenses	\$ (123.4)	\$ (72.8)	\$ 50.6	69.4%

Corporate expenses increased by \$50.6 million, or 69.4%, during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. The increase in corporate expenses was primarily attributable to:

- a \$32.6 million increase in legal costs and settlements, of which \$30 million was attributed to the accrual of a legal reserve for the Bucio case;
- an \$18.3 million increase in compensation and related expenses, primarily driven by updated assessments regarding financial performance target achievements in connection with certain performance share awards; during the six months ended April 30, 2020, we recorded a reversal of shared-based compensation expense based upon our then current assessment of probable financial achievements for such awards; and
- a \$17.2 million increase in certain technology projects and other enterprise initiatives, including marketing events.

This increase was partially offset by:

- a \$5.0 million decrease in restructuring and related expenses due to the completion of our restructuring program in fiscal year 2020;
- a \$4.8 million decrease in self-insurance reserve adjustments related to prior year claims as a result of actuarial evaluations completed in the six months ended April 30, 2021;
- the absence of a \$3.9 million medical and dental insurance expense as a result of an actuarial evaluation performed in the prior year; and
- the absence of a \$1.3 million reserve established for an outstanding client receivable that was being litigated in the prior year and deemed to be uncollectible.

## Liquidity and Capital Resources

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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, share repurchases, and strategic initiatives, including technology transformation. We anticipate long-term cash uses may also include strategic acquisitions. 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.

We believe that the Pandemic has had, and will likely continue to have, an adverse impact on our consolidated financial position, results of operations, and cash flows. Since we cannot predict the duration or scope of the Pandemic, we cannot fully anticipate or reasonably estimate all the ways in which the current global health crisis and financial market conditions could adversely impact our business in fiscal 2021 or in the future. It is also possible that our accounts receivable cash collections will be adversely impacted by our clients' Pandemic-related challenges.

We have taken and continue to take certain steps to preserve liquidity. We have also actively managed direct labor and related personnel costs, including: imposing furloughs or reduced hours for certain frontline employees in markets significantly impacted by business slowdowns and shutdowns; managing our operating expenditures and certain selling, general and administrative expenses; and suspending share repurchases under our share repurchase program. In addition, we continue focusing on collection of customer receivables, monitoring the adequacy of our reserves, and extending vendor payment terms where possible. We evaluated the business tax provisions of the CARES Act and have deferred remittance of approximately \$132 million of payroll tax through December 31, 2020, which the CARES Act requires to be remitted by December 31, 2021 and December 31, 2022 in equal parts.

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.

### Credit Facility

On September 1, 2017, we refinanced and replaced our then-existing \$800.0 million credit facility with a new senior, secured five-year syndicated credit facility consisting of a \$900.0 million revolving line of credit and an \$800.0 million amortizing term loan, both of which are scheduled to mature on September 1, 2022. In accordance with the terms of the Credit Facility, the revolving line of credit was reduced to \$800.0 million on September 1, 2018. 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. To further enhance our financial flexibility as a precautionary measure in response to uncertainty arising from the Pandemic, we amended our Credit Facility on May 28, 2020.

The Amendment modified the financial covenants under the Credit Facility, including: (i) replacing a maximum total leverage ratio with a maximum total net leverage ratio (allowing for up to \$100 million in cash and cash equivalents to be excluded from the calculation of total indebtedness) that varies on a quarterly basis and adjusts to 4.00 to 1.00 by the quarter ending October 31, 2022; (ii) modifying the minimum fixed charge coverage ratio on a quarterly basis, which adjusts to 1.25 to 1.00 as of the quarter ending April 30, 2022; and (iii) adding a minimum liquidity (defined in the Amendment as domestic cash plus available revolving loans) of \$250.0 million. These financial covenants were effective with the quarter ended April 30, 2020. Our borrowing capacity is subject to, and limited by, compliance with these covenants. At April 30, 2021, we were in compliance with these covenants and expect to be in compliance in the foreseeable future.

During the three and six months ended April 30, 2021, we made principal payments of \$30.0 million and \$60.0 million, respectively, under the term loan. At April 30, 2021, the total outstanding borrowings under our Credit

Facility in the form of cash borrowings and standby letters of credit were \$645.1 million. At April 30, 2021, we had up to \$622.1 million of borrowing capacity, reflecting covenant restrictions.

In July 2017, the U.K. Financial Conduct Authority, the regulator of LIBOR, indicated that it will no longer require banks to submit rates to the LIBOR administrator after 2021. This announcement signaled that the calculation of LIBOR and its continued use could not be guaranteed after 2021. A change away from LIBOR after 2021 may impact our Credit Facility and interest rate swaps. Our current credit agreement as well as our International Swaps and Derivatives Association, Inc. agreement provide for any changes away from LIBOR to a successor rate to be based on prevailing or equivalent standards. On March 5, 2021, the U.K. Financial Conduct Authority confirmed that certain key LIBOR settings will cease as of December 31, 2021, and June 30, 2023. We continue to monitor developments related to the LIBOR transition and/or identification of an alternative, market-accepted rate. The impact related to any changes cannot be predicted at this time.

### **Reinvestment of Foreign Earnings**

We plan to reinvest our foreign earnings to fund future non-U.S. growth and expansion, and we do not anticipate remitting such earnings to the United States. While U.S. federal tax expense has been recognized as a result of the Tax Cuts and Jobs Act of 2017, no deferred tax liabilities with respect to federal and state income taxes or foreign withholding taxes have been recognized.

### **IFM Insurance Company**

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.

### **Share Repurchases**

Effective December 18, 2019, our Board of Directors replaced our then-existing share repurchase program with a new share repurchase program under which we may repurchase up to \$150.0 million of our common stock (the “2019 Share Repurchase Program”). These 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, share availability, and other factors at our discretion. Repurchased shares are retired and returned to an authorized but unissued status. The 2019 Share Repurchase Program may be suspended or discontinued at any time without prior notice. Due to the market and business conditions arising from the Pandemic, we have suspended further repurchases of our common stock since March 2020. At April 30, 2021, authorization for \$144.9 million of repurchases remained under the 2019 Share Repurchase Program.

### **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. 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>	<b>Six Months Ended April 30,</b>	
	<b>2021</b>	<b>2020</b>
Net cash provided by operating activities	\$ 171.2	\$ 128.0
Net cash used in investing activities	(13.4)	(9.3)
Net cash (used in) provided by financing activities	(118.5)	376.8

#### *Operating Activities*

Net cash provided by operating activities increased by \$43.2 million during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. This increase was primarily related to the timing of

vendor payments and client receivable collections and the deferred remittance of payroll taxes under the CARES Act.

#### *Investing Activities*

Net cash used in investing activities increased by \$4.1 million during the six months ended April 30, 2021, as compared to the six months ended April 30, 2020. This increase was primarily related to the absence of proceeds from the redemption of an auction rate security, partially offset by lower additions to property, plant and equipment in the current year.

#### *Financing Activities*

Net cash used in financing activities was \$118.5 million during the six months ended April 30, 2021, as compared to net cash provided by financing activities of \$376.8 million during the six months ended April 30, 2020. During the six months ended April 30, 2020, we borrowed approximately \$300 million under our Credit Facility in response to uncertainty resulting from the Pandemic. During the six months ended April 30, 2021, we had net repayments on borrowings from our Credit Facility of \$80.2 million.

#### **Contingencies**

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For disclosures on contingencies, see Note 8, "Commitments and Contingencies," of the Notes to Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

## Critical Accounting Policies and Estimates

Our Financial Statements are prepared in accordance with U.S. GAAP, which require us to make certain estimates in the application of our accounting policies based on the best assumptions, judgments, and opinions of our management. There have been no significant changes to our critical accounting policies and estimates. For a description of our critical accounting policies, see Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our Annual Report on Form 10-K for the year ended October 31, 2020.

### Recently Issued Accounting Pronouncements

Accounting Standard Update(s)	Topic	Summary	Effective Date/ Method of Adoption
2021-01	Reference Rate Reform (Topic 848): Scope	This ASU, issued in January 2021, clarifies that derivatives affected by the discounting transition are explicitly eligible for certain optional expedients and exceptions under Topic 848.  We are currently evaluating the impact of implementing this guidance on our financial statements.	This ASU was effective upon issuance and can be applied to hedging relationships retrospectively or prospectively through December 31, 2022.
2020-04	Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting	This ASU, issued in March 2020, provides optional expedients to assist with the discontinuance of LIBOR. The expedients allow companies to ease the potential accounting burden when modifying contracts and hedging relationships that use LIBOR as a reference rate, if certain criteria are met.  We are currently evaluating the impact of implementing this guidance on our financial statements.	This ASU was effective upon issuance and can be applied prospectively to contract modifications made and hedging relationships entered into or evaluated through December 31, 2022.
2020-01	Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions between Topic 321, Topic 323, and Topic 815	This ASU, issued in January 2020, clarifies the interaction between Topic 321, Topic 323, and Topic 815. The guidance, among other things, states that a company should consider observable transactions that require it to either apply or discontinue the equity method of accounting for the purposes of applying the fair value measurement alternative immediately before applying or upon discontinuing the equity method.  While we are currently evaluating the impact of implementing this guidance on our financial statements, we do not expect adoption to have a material impact.	November 1, 2021  This update will be applied prospectively.
2019-12	Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes	This ASU, issued in December 2019, removes certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences. This ASU also amends other aspects of the guidance to help simplify and promote consistent application of Topic 740.  We are currently evaluating the impact of implementing this guidance on our financial statements.	November 1, 2021  The amendments have differing adoption methods including retrospectively, prospectively, and/or on a modified retrospective basis.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

There are no material changes related to market risk from the disclosures in our Annual Report on Form 10-K for the year ended October 31, 2020.

### **ITEM 4. 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 SEC 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. Changes in Internal Control Over Financial Reporting.**

To support the growth of our financial shared service capabilities and standardize our financial systems, we continue to update several key platforms, including our human resources information systems, enterprise resource planning system, and labor management system. The implementation of several key platforms involves changes in the systems that include internal controls. Although some of the transitions have proceeded to date without material adverse effects, the possibility exists that they could adversely affect our internal controls over financial reporting and procedures.

There were no other changes in our internal control over financial reporting during the second quarter of 2021 identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As a result of the Pandemic, many of our office-based employees began working remotely in March 2020. This change to the working environment did not have a material effect on our internal controls over financial reporting during the second quarter of 2021. We are continually monitoring and assessing the impact of the Pandemic and the resulting changes to our working environment on our internal controls over financial reporting.

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS.**

A discussion of material developments in our litigation matters occurring in the period covered by this report is found in Note 8, "Commitments and Contingencies," to the Financial Statements in this Form 10-Q.

#### **ITEM 1A. RISK FACTORS.**

There have been no material changes to the risk factors identified in our Annual Report on Form 10-K for the year ended October 31, 2020 in response to Item 1A., "Risk Factors," of Part I of the Annual Report.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

Effective December 18, 2019, our Board of Directors replaced our then-existing share repurchase program with a new share repurchase program under which we may repurchase up to \$150.0 million of our common stock. These 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, share availability, and other factors at our discretion. Repurchased shares are retired and returned to an authorized but unissued status. The 2019 Share Repurchase Program may be suspended or discontinued at any time without prior notice. Due to the market and business conditions arising from the Pandemic, we have suspended further repurchases of our common stock since March 2020. At April 30, 2021, authorization for \$144.9 million of repurchases remained under the 2019 Share Repurchase Program.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

None.

**ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

**ITEM 5. OTHER INFORMATION.**

Not applicable.



**ITEM 6. EXHIBITS.**

## (a) Exhibits

<b>Exhibit No.</b>	<b>Exhibit Description</b>
10.1†	<a href="#">Statement of Terms and Conditions Applicable to Awards Granted to Employees Pursuant to the 2021 Equity and Incentive Compensation Plan</a>
10.2†	<a href="#">Statement of Terms and Conditions Applicable to Awards Granted to Non-Employee Directors Pursuant to the 2021 Equity and Incentive Compensation Plan</a>
10.3†	<a href="#">Change in Control Agreement, dated as of April 1, 2011, by and between ABM Industries Incorporated and Dean A. Chin</a>
10.4†	<a href="#">Change in Control Agreement, dated as of February 8, 2020, by and between ABM Industries Incorporated and Joshua H. Feinberg</a>
10.5†	<a href="#">Amendment to Executive Employment Agreement, dated as of November 1, 2020, by and between ABM Industries Incorporated and Scott Giacobbe</a>
10.6†	<a href="#">Executive Employment Agreement, dated as of November 1, 2020, by and between ABM Industries Incorporated and Earl R. Ellis</a>
10.7†	<a href="#">Change in Control Agreement, dated as of November 30, 2020, by and between ABM Industries Incorporated and Earl R. Ellis</a>
10.8†	<a href="#">Release Agreement, dated as of May 27, 2021, by and between ABM Industries Incorporated and Scott Giacobbe</a>
31.1†	<a href="#">Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2†	<a href="#">Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32‡	<a href="#">Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INST†	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH†	Inline XBRL Taxonomy Extension Schema Document
101.CAL†	Inline XBRL Taxonomy Calculation Linkbase Document
101.DEF†	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	Inline XBRL Taxonomy Label Linkbase Document
101.PRE†	Inline XBRL Presentation Linkbase Document
104†	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Indicates filed herewith

‡ Indicates furnished herewith

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ABM Industries Incorporated

June 9, 2021

/s/ Earl R. Ellis

Earl R. Ellis  
Executive Vice President and Chief Financial Officer  
(Duly Authorized Officer)

June 9, 2021

/s/ Dean A. Chin

Dean A. Chin  
Senior Vice President, Controller and  
Chief Accounting Officer  
(Principal Accounting Officer)

**ABM INDUSTRIES INCORPORATED**  
**STATEMENT OF TERMS AND CONDITIONS APPLICABLE TO AWARDS**  
**GRANTED TO EMPLOYEES**  
**PURSUANT TO THE 2021 EQUITY AND INCENTIVE COMPENSATION PLAN**

**I. INTRODUCTION**

The following terms and conditions shall apply to each Award granted under the Plan to an Employee eligible to participate in the Plan, except as may otherwise be determined by the Administrator, as provided herein. This Statement of Terms and Conditions is subject to the terms of the Plan and of any Award made pursuant to the Plan. In the event of any inconsistency between this Statement of Terms and Conditions and the Plan, the Plan shall govern.

**II. DEFINITIONS**

Capitalized terms not otherwise defined in this Statement of Terms and Conditions shall have the meaning set forth in the Plan. When capitalized in this Statement of Terms and Conditions, the following additional terms shall have the meaning set forth below:

- A. “Administrator” means the Board or the committee of the Board appointed to administer the Plan, or a delegate of the Board as provided for in the Plan.
- B. “Appreciation Right Period” means the period commencing on the Date of Grant of an Appreciation Right and, except as otherwise provided in Section V. E, ending on the Termination Date.
- C. “Award” means any award of Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Cash Incentive Awards, Performance Shares and Performance Units or Other Awards under the Plan.
- D. “Beneficiary” means the individual identified by the Participant to whom distribution shall be made of any Award outstanding at the time of the Participant’s death.
- E. “Cause” shall have the meaning ascribed to such term under any employment agreement between the Participant and the Company and, absent any such definition, means, with respect to a Participant:
  - i. serious misconduct, dishonesty, disloyalty or insubordination;
  - ii. the Participant’s conviction (or entry of a plea bargain admitting criminal guilt) of any felony or misdemeanor involving moral turpitude;

- iii. drug or alcohol abuse that has a material or potentially material effect on the Company's reputation and/or the performance of the Participant's duties and responsibilities under the Participant's employment agreement;
  - iv. failure to substantially perform the Participant's duties or responsibilities under the Participant's employment agreement for reasons other than death or disability;
  - v. repeated inattention to duty for reasons other than death or disability; or
  - vi. any other material breach of the Participant's employment agreement or Company Code of Business Conduct by the Participant.
- F. "Disability" and "Disabled" means, unless otherwise set forth in an Evidence of Award, that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- G. "Employee" means an individual employed by the Company or an Affiliate (within the meaning of Code Section 3401 and the regulations thereunder).
- H. "Excess Equity Award" means the positive difference, if any, between the value of the Award paid to an Executive Officer and the Award that would have been paid to such Executive Officer had the amount of the Award been calculated based on the Company's financial statements as restated.
- I. "Excess Parachute Payment" means a payment that creates an obligation for a Participant to pay excise taxes under Code Section 280G or any successor provision thereto.
- J. "Executive Officer" means any person who is an officer of the Company for purposes of Section 16 of the Exchange Act.
- K. "Independent Committee" means any committee consisting of independent Directors designated by the independent members of the Board.
- L. "Option Period" means the period commencing on the Date of Grant of Option Rights and, except as otherwise provided in Section IV. E, ending on the Termination Date.
- M. "Option Proceeds" means, with respect to any sale or other disposition of Shares issued or issuable upon the exercise of an Option Right, an amount determined appropriate by the independent members of the Board or the Independent Committee, in its sole judgment, to reflect the effect of a restatement of the Company's financial statements on the Company's stock price, up to an amount equal to the number of Shares sold or disposed of, multiplied by a number equal

to the difference between (x) the Market Value per Share at the time of sale or disposition multiplied by the number of Shares underlying the Award and (y) the Exercise Price.

- N. “Retirement” means the termination of an Employee’s employment, other than for Cause, at (i) age 60 or (ii) age 55 or older at a time when age plus years of service equals or exceeds 65.
- O. “Share” means one share of Common Stock, as may be adjusted from as a result of a recapitalization.
- P. “Share Equivalent” means a bookkeeping entry representing a right to the equivalent of one Share.
- Q. “Termination Date” means the date that Option Rights expire as set forth in the Evidence of Award.

### **III. MINIMUM VESTING REQUIREMENT**

- A. Awards granted under the Plan to Participants shall either be subject to a minimum vesting or minimum performance period, in the case of Performance Shares and Performance Units, of one year. Notwithstanding the foregoing, (i) the Committee may authorize acceleration of vesting of such awards in the event of the Participant’s death, Disability, termination of employment or service or the occurrence of a Change in Control, (ii) the Committee may grant awards without the above-described minimum requirements with respect to awards covering up to 5% of the aggregate number of shares authorized for issuance under the Plan, and (iii) with respect to awards granted to non-employee Directors, the vesting of such awards will be deemed to satisfy the minimum vesting requirement to the extent that the awards vest based on the approximate one-year period beginning on each regular annual meeting of the Company’s stockholders and ending on the date of the next regular annual meeting of the Company’s stockholders (in no case will the minimum vesting requirement be less than 50 weeks).

### **IV. OPTION RIGHTS**

- A. Option Notice and Evidence of Award. Option Rights granted under the Plan shall be evidenced by an Evidence of Award setting forth the terms and conditions of the Option Rights, including whether the Option Rights are Incentive Stock Option Rights or nonqualified Option Rights and the number of Shares subject to the Option Rights. Each Evidence of Award shall incorporate by reference and be subject to this Statement of Terms and Conditions and the terms and conditions of the Plan, except as may otherwise be determined by the Administrator.

- B. Exercise Price. The Exercise Price of the Option Rights, as specified in the Evidence of Award, shall be equal to or greater than the Market Value per Share of the Shares underlying the Option Rights on the Date of Grant.
- C. Option Period. Option Rights shall be exercisable only during the applicable Option Period, and during such Option Period the exercisability of the Option Rights shall be subject to the vesting provisions of Section IV. D as modified by the rules set forth in Sections III, IV. E, VII, VIII and IX. The Option Period shall be not more than ten years from the Date of Grant.
- D. Vesting of Right to Exercise Option Rights.
1. Except as provided in the last sentence of this Section IV. D. 1 and in Sections VI, VII, VIII and IX, Option Rights shall be exercisable during the Option Period in accordance with the following vesting schedule: (i) 25% of the Shares subject to the Option Rights shall vest on the first anniversary of the Date of Grant; (ii) an additional 25% of the Shares shall vest on the second anniversary of the Date of Grant; (iii) an additional 25% of the Shares shall vest on the third anniversary of the Date of Grant; and (iv) the remaining 25% of the Shares subject to the Option Rights shall vest on the fourth anniversary of the Date of Grant. Notwithstanding the foregoing, the Administrator may specify a different vesting schedule.
  2. Any vested portion of an award of Option Rights not exercised hereunder shall accumulate and be exercisable at any time on or before the Termination Date, subject to the rules set forth in Sections IV. E, VII, VIII, and IX. No Option Right may be exercised for less than 5% of the total number of Shares then available for exercise under such Option Rights. In no event shall the Company be required to issue fractional shares.
- E. Termination of Employment. In addition to the terms set forth in the Plan with respect to termination of employment:
1. Except as provided in the last sentence of this Section IV. E. 1, if, during the Option Period, a Participant ceases to be a bona fide employee of the Company or an Affiliate due to his or her Retirement that occurs at least one year following the Date of Grant, or due to his or her Disability or death, then in addition to any Shares vested under the Evidence of Award prior to the date of such Retirement, Disability or death, the Option Rights shall vest in the number of Shares equal to 25% of the number of Shares originally subject to the Option Rights, multiplied by the number of whole months between the most recent anniversary date of the Option Rights grant and the date of such Retirement, Disability or death, and divided by 12. Notwithstanding the foregoing, the Administrator may specify a different provision regarding vesting upon termination of employment due

to Retirement, Disability or death, or any other reason, subject to the terms of the Plan.

2. If a Participant who ceases to be a bona fide employee of the Company or an Affiliate is subsequently rehired prior to the expiration of his or her Option Rights, then the Option Rights shall continue to remain outstanding until such time as the Participant subsequently terminates employment or the Option Rights otherwise terminate pursuant to this Statement of Terms and Conditions. Upon the Participant's subsequent termination of employment, the post-termination exercise period calculated pursuant to the terms and conditions of this Section IV. E shall be reduced by the number of days between the date of the Participant's initial termination of employment and his or her rehire date; *provided, however*, that if the rehired Participant continues to be employed by the Company or an Affiliate for at least one year from his or her rehire date, then the post-termination exercise period for the Option Rights shall be determined in accordance with the Plan and shall not be adjusted as described above.
3. In the event that a Participant who is an Employee ceases to be employed by the Company or any of its Affiliates for any reason, such Participant shall have the right (subject to the limitation that no Option Right may be exercised after its stated expiration date) to exercise the Option Rights, to the extent that, at the date of termination of employment, the Option Rights had vested pursuant to the terms of the Evidence of Award with respect to which such Option Rights were granted and had not previously been exercised, either: (i) within four months after such termination of employment; or (ii) in the case of Retirement or death within one year after the date thereof; or (iii) in the case of Disability, within one year from the date the Committee or its delegate determines that the Participant is Disabled; or (iv) on such other terms established by the Committee in the Evidence of Award or otherwise prior to termination.

F. Method of Exercise. A Participant may exercise Option Rights with respect to all or any part of the exercisable Shares as follows:

1. By giving the Company, or its authorized representative designated for this purpose, written notice of such exercise specifying the number of Shares as to which the Option Rights are so exercised. Such notice shall be accompanied by an amount equal to the Exercise Price of such Shares, in the form of any one or combination of the following:
  - a. cash or certified check, bank draft, postal or express money order in lawful money of the United States;
  - b. personal check of the Participant;

- c. a “net exercise” pursuant to which the Company will not require a payment of the Exercise Price from the Participant but will reduce the number of Shares issued upon the exercise by the largest number of whole Shares such that the Market Value per Share multiplied by the number of Shares does not exceed the aggregate Exercise Price. With respect to any remaining balance of the aggregate Exercise Price, the Company shall accept payment in a form identified in (a) or (b) of this section;
  - d. by tendering to the Company or its authorized representative Shares having a Market Value per Share, as determined by the Company, such that the aggregate value of the shares is equal to the Exercise Price. In the event a Participant tenders Shares to pay the Exercise Price, tender of Shares acquired through exercise of an Incentive Stock Option may result in unfavorable income tax consequences unless such Shares are held for at least two years from the Date of Grant of the Incentive Stock Option and one year from the date of exercise of the Incentive Stock Option;
  - e. delivery (including by facsimile or email transmission) to the Company or its authorized representative of an executed irrevocable option exercise form together with irrevocable instructions to an approved registered investment broker to sell Shares in an amount sufficient to pay the Exercise Price plus any minimal applicable withholding taxes and to transfer the proceeds of such sale to the Company; and
2. If required by the Company, by giving satisfactory assurance in writing, signed by the Participant, the Participant shall give his or her assurance that the Shares subject to the Option Rights are being purchased for investment and not with a view to the distribution thereof; provided that such assurance shall be deemed inapplicable to (i) any sale of the Shares by such Participant made in accordance with the terms of a registration statement covering such sale, which has heretofore been (or may hereafter be) filed and become effective under the Securities Act of 1933, as amended (the “Securities Act”), and with respect to which no stop order suspending the effectiveness thereof has been issued, and (ii) any other sale of the Shares with respect to which, in the opinion of counsel for the Company, such assurance is not required to be given in order to comply with the provisions of the Securities Act.
- G. Limitations on Transfer. Option Rights shall, during a Participant’s lifetime, be exercisable only by the Participant. No Option Right or any right granted thereunder shall be transferable by the Participant by operation of law or otherwise, other than as set forth in the Plan. In the event of any attempt by a



Participant to alienate, assign, pledge, hypothecate, or otherwise dispose of Option Rights or of any right thereunder, except as provided herein, or in the event of the levy of any attachment, execution, or similar process upon the rights or interest hereby conferred, the Company at its election may terminate the affected Option Rights by notice to the Participant and the Option Rights shall thereupon become null and void.

- H. No Stockholder Rights. Neither a Participant nor any person entitled to exercise a Participant's rights in the event of the Participant's death shall have any of the rights of a stockholder with respect to the Shares subject to Option Rights except to the extent that such Option Rights have been exercised.

## V. APPRECIATION RIGHTS

- A. Evidence of Award. A grant of Appreciation Rights granted under the Plan shall be evidenced by an Evidence of Award to be executed by the Participant and the Company setting forth the terms and conditions of the Award. Each Evidence of Award shall incorporate by reference and be subject to this Statement of Terms and Conditions and the terms and conditions of the Plan, except as may otherwise be determined by the Administrator.
- B. Base Price. The Base Price of an Appreciation Right, as specified in the Evidence of Award, shall be equal to or greater than the Market Value per Share of the Shares underlying the Appreciation Right on the Date of Grant.
- C. Appreciation Right Period. An Appreciation Right shall be exercisable only during the applicable Appreciation Right Period, and during such Appreciation Right Period the exercisability of the Appreciation Right shall be subject to the vesting provisions of Section V. D as modified by the rules set forth in Sections III, V. D, VII, VIII and IX. No Appreciation Right granted under this Plan may be exercised more than ten years from the Date of Grant. The Committee may provide in any Evidence of Award for the automatic exercise of an Appreciation Right upon such terms and conditions as established by the Committee.
- D. Vesting of Right to Exercise Appreciation Rights.
1. Except as provided in Sections VII, VIII and IX, Appreciation Rights shall be exercisable during the Appreciation Right Period in accordance with the following vesting schedule: (i) 25% of the Shares subject to the Appreciation Right shall vest on the first anniversary of the Date of Grant; (ii) an additional 25% of the Shares shall vest on the second anniversary of the Date of Grant; (iii) an additional 25% of the Shares shall vest on the third anniversary of the Date of Grant; and (iv) the remaining 25% of the Shares subject to the Appreciation Right shall vest on the fourth anniversary of the Date of Grant. Notwithstanding the foregoing, the Administrator may specify a different vesting schedule.

2. Any vested portion of an Appreciation Right not exercised hereunder shall accumulate and be exercisable at any time on or before the Termination Date, subject to the rules set forth in Sections VII, VIII and IX.

E. Termination of Employment. In addition to the terms set forth in the Plan with respect to termination of employment:

1. Except as provided in the last sentence of this Section IV. E. 1, if, during the Appreciation Right Period, a Participant ceases to be a bona fide employee of the Company or an Affiliate due to his or her Retirement that occurs at least one year following the Date of Grant, or due to his or her Disability or death, then in addition to any Shares vested under the Evidence of Award prior to the date of such Retirement, Disability or death, the Appreciation Rights shall vest in the number of Shares equal to 25% of the number of Shares originally subject to the Appreciation Rights, multiplied by the number of whole months between the most recent anniversary date of the Appreciation Rights grant and the date of such Retirement, Disability or death, and divided by 12. Notwithstanding the foregoing, the Administrator may specify a different provision regarding vesting upon termination of employment due to Retirement, Disability or death, or any other reason, subject to the terms of the Plan.
2. If a Participant who ceases to be a bona fide employee of the Company or an Affiliate is subsequently rehired prior to the expiration of his or her Appreciation Rights, then the Appreciation Rights shall continue to remain outstanding until such time as the Participant subsequently terminates employment or the Appreciation Rights otherwise terminate pursuant to this Statement of Terms and Conditions. Upon the Participant's subsequent termination of employment, the post-termination exercise period calculated pursuant to the terms and conditions of this Section V. E shall be reduced by the number of days between the date of the Participant's initial termination of employment and his or her rehire date; *provided, however*, that if the rehired Participant continues to be employed by the Company or an Affiliate for at least one year from his or her rehire date, then the post-termination exercise period for the Appreciation Rights shall be determined in accordance with the Plan and shall not be adjusted as described above.
3. In the event that a Participant who is an Employee ceases to be employed by the Company or any of its Affiliates for any reason, such Participant shall have the right (subject to the limitation that no Appreciation Right may be exercised after its stated expiration date) to exercise the Appreciation Rights, to the extent that, at the date of termination of employment, the Appreciation Rights had vested pursuant to the terms of the Evidence of Award with respect to which such Appreciation Rights

were granted and had not previously been exercised, either: (i) within four months after such termination of employment; or (ii) in the case of Retirement or death within one year after the date thereof; or (iii) in the case of Disability, within one year from the date the Committee or its delegate determines that the Participant is Disabled; or (iv) on such other terms established by the Committee in the Evidence of Award or otherwise prior to termination.

- F. Limitations on Transfer. Appreciation Rights shall, during a Participant's lifetime, be exercisable only by the Participant. No Appreciation Right or any right granted thereunder shall be transferable by the Participant by operation of law or otherwise, other than as set forth in the Plan. In the event of any attempt by a Participant to alienate, assign, pledge, hypothecate, or otherwise dispose of Appreciation Rights or of any right thereunder, except as provided herein, or in the event of the levy of any attachment, execution, or similar process upon the rights or interest hereby conferred, the Company at its election may terminate the affected Appreciation Rights by notice to the Participant and the Appreciation Rights shall thereupon become null and void.
- G. No Stockholder Rights. Neither a Participant nor any person entitled to exercise a Participant's rights in the event of the Participant's death shall have any of the rights of a stockholder with respect to the Shares subject to Appreciation Rights except to the extent that such Appreciation Rights have been exercised.

## **VI. RESTRICTED STOCK, RESTRICTED STOCK UNITS, PERFORMANCE SHARES AND PERFORMANCE UNITS**

- A. Evidence of Award. A grant of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units granted under the Plan shall be evidenced by an Evidence of Award to be executed by the Participant and the Company setting forth the terms and conditions of the Award. Each Evidence of Award shall incorporate by reference and be subject to this Statement of Terms and Conditions and the terms and conditions of the Plan, except as may otherwise be determined by the Administrator.
- B. Special Restrictions. Each grant of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units made under the Plan shall contain the following terms, conditions and restrictions, except as may otherwise be determined by the Administrator.
  - 1. Restrictions. Until the restrictions imposed on any grant of Restricted Stock shall lapse, shares of Restricted Stock granted to a Participant: (a) shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of, and (b) shall, if the Participant experiences a "separation from service" (within the meaning of Section 409A of the Code) from the Company or an Affiliate for any reason (except as

otherwise provided in the Plan or in Section VI. B. 2) be returned to the Company forthwith, and all the rights of the Participant to such Shares shall immediately terminate. A Participant shall not be permitted to sell, transfer, pledge, assign or encumber such Restricted Stock Units or Performance Shares. If a Participant experiences a “separation from service” (within the meaning of Section 409A of the Code) from the Company or an Affiliate (except as otherwise provided in the Plan or in Section VI. B. 2) prior to the lapse of the restrictions imposed on an award of Restricted Stock Units, Performance Shares or Performance Units, the unvested portion of the award of Restricted Stock Units, Performance Shares or Performance Units shall be forfeited to the Company, and all the rights of the Participant to such Award shall immediately terminate. If a Participant is absent from work with the Company or an Affiliate because of his or her short-term disability or because the Participant is on an approved leave of absence, if the period of such leave does not exceed six months (or if longer, so long as the individual retains a right to reemployment with the Company under an applicable statute or by contract), the Participant shall not be deemed during the period of any such absence, by virtue of such absence alone, to have experienced a “separation from service” (within the meaning of Section 409A of the Code) from the Company or an Affiliate except as the Administrator may otherwise expressly determine. Notwithstanding the foregoing, if the Participant is on a voluntary leave of absence for the purpose of serving the government of the country of which the Participant is a citizen or in which the Participant’s principal place of employment is located, such leave shall be considered an approved leave of absence.

2. Certain Terminations of Employment.

- a. Restricted Stock and Restricted Stock Units. Notwithstanding any provision contained in the Plan to the contrary, and except as provided in the last sentence of this Section VI. B. 2. a, if a Participant who has been in the continuous employment of the Company or an Affiliate since the Date of Grant of an award of Restricted Stock or Restricted Stock Units that remains outstanding ceases to be a bona fide employee of the Company or an Affiliate, which cessation constitutes a “separation from service” under Section 409A of the Code and which is a result of Retirement that occurs at least one year following the Date of Grant or a result of Disability or death, then the restrictions shall lapse as to the number of Shares or Share Equivalents equal to: (i) the number of Shares or Share Equivalents originally subject to the Award, multiplied by (ii) a fraction (x) the number of whole months between the Date of Grant and the date of such separation from service, divided by (y) the number of whole months between the

Date of Grant and the final vesting date contemplated in the Award, less (iii) the number of Shares or Share Equivalents originally subject to the Award that have already become vested. Notwithstanding the foregoing, the Administrator may specify a different provision regarding vesting upon termination of employment due to Retirement, Disability or death, or any other reason, subject to the terms of the Plan and Code Section 409A.

- b. Performance Shares and Performance Units. Notwithstanding any provision contained in the Plan to the contrary, and except as provided in the last sentence of this Section VI. B. 2. b, if a Participant who has been in the continuous employment of the Company or an Affiliate since the Date of Grant of a grant of Performance Shares or Performance Units that remains outstanding ceases to be a bona fide employee of the Company or an Affiliate as a result of Retirement that occurs at least one year following the Date of Grant, or as a result of Disability or death, or whose employment is terminated by the Company or an Affiliate without Cause at least one year following the Date of Grant, then at the end of the performance period the restrictions shall lapse as to the number of Share Equivalents equal to: (i) the number of Performance Shares or Performance Units vested in accordance with the performance objectives established by the Administrator for the Award, multiplied by (ii) a fraction (x) the number of whole months between the Date of Grant and the date of such Retirement, Disability, death or termination without Cause, divided by (y) the number of months in the performance period. Notwithstanding the foregoing, (A) the Administrator may specify a different provision regarding vesting upon termination of employment due to Retirement, Disability or death, or any other reason, subject to the terms of the Plan, and (B) in the event of a Participant whose employment is terminated by the Company or an Affiliate without Cause at least one year following the Date of Grant, the foregoing vesting will be subject to the Participant signing (and not revoking) a release in the form specified by the Company not later than the date specified by the Company but in no event later than sixty days following termination of employment that constitutes a “separation from service.”

- C. Dividends, Dividend Equivalents, and Business Transactions. Upon cash dividends being paid on outstanding shares of the Company’s Common Stock, dividends shall be paid with respect to Restricted Stock during the Restriction Period and shall be converted to additional shares of Restricted Stock, which shall be subject to the same restrictions as the original Award for the duration of the Restricted Period. Upon cash dividends being paid on outstanding shares of the

Company's Common Stock, dividend equivalents shall be credited in respect of Restricted Stock Units, Performance Shares and Performance Units (if applicable), which shall be converted into additional Restricted Stock Units, Performance Shares or Performance Units (as applicable), which will be subject to all of the terms and conditions of the underlying Restricted Stock Units, Performance Shares or Performance Units including the same vesting restrictions as the underlying Evidence of Award. Upon stock dividends being paid on outstanding shares of the Company's Common Stock or a Change in Control, the Administrator is authorized to take such actions and make such changes with respect to outstanding Awards, including the performance criteria for the termination of restrictions on Awards, as are consistent with the Plan and this Statement of Terms and Conditions to effect the terms of the Awards.

- D. Election to Recognize Gross Income in the Year of Grant. If any Participant validly elects within thirty days of the Date of Grant to include in gross income for federal income tax purposes an amount equal to the Market Value per Share multiplied by the number of Shares of Restricted Stock granted on the Date of Grant, such Participant shall pay to the Company, or make arrangements satisfactory to the Administrator to pay to the Company in the year of such grant, any federal, state or local taxes required to be withheld with respect to such shares in accordance with Section X. F.
- E. No Stockholder Rights for Restricted Stock Units or Performance Shares. Neither a Participant nor any person entitled to exercise a Participant's rights in the event of the Participant's death shall have any of the rights of a stockholder with respect to the Share Equivalents subject to an award of Restricted Stock Units, Performance Shares or Performance Units except to the extent that a stock certificate (or other evidence of ownership) has been issued by the Company with respect to such Shares upon the payment of any vested Restricted Stock Units, Performance Shares or Performance Units (if applicable).
- F. Time of Payment of Restricted Stock Units, Performance Shares or Performance Units.
1. Subject to Section VI. F. 2 below, upon the lapse of the restriction imposed on Restricted Stock Units, Performance Shares or Performance Units, all Restricted Stock Units, Performance Shares and Performance Units that were not forfeited pursuant to Sections VI. B. 1, VII, VIII or IX shall be paid to the Participant as soon as reasonably practicable after the restrictions lapse but not later than 60 days following the date on which the restrictions lapse. Notwithstanding the foregoing or any other provision of the Statement of Terms and Conditions or the Plan, payment in the case of Performance Shares and Performance Units shall be made within the short-term deferral period specified in Code Section 409A. Payment shall be made in Shares in the form of a stock certificate (or other

evidence of ownership as determined by the Company, or cash or Shares in the case of Performance Units). The foregoing notwithstanding, the Participant may elect to defer payment of the Restricted Stock Units and Performance Units in the manner described in Section VI. G.

2. To the extent required in order to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts that would otherwise be payable pursuant to Section VI. F of this Statement of Terms and Conditions during the six-month period immediately following a Participant's termination of employment shall instead be paid on the first business day after the date that is six months following the Participant's "separation from service" (within the meaning of Section 409A of the Code) or upon the Participant's death, if earlier.

- G. Deferral Election. Each Participant, pursuant to rules established by the Administrator, may be entitled to elect to defer all or a percentage of any payment in respect of a Restricted Stock Units, Performance Shares or Performance Units that he or she may be entitled to receive as determined pursuant to Section VI. F. This election shall be made by giving notice in a manner and within the time prescribed by the Administrator and in compliance with Code Section 409A. Each Participant must indicate the percentage (expressed in whole percentages) he or she chooses to defer of any payment he or she may be entitled to receive. If no notice is given, the Participant shall be deemed to have made no deferral election. Each deferral election filed with the Company shall become irrevocable in accordance with the terms and conditions of the Company's Deferred Compensation Plan (or any successor plan) and in compliance with Code Section 409A.

## **VII. SPECIAL FORFEITURE AND REPAYMENT RULES IN THE EVENT OF CONDUCT CONSTITUTING CAUSE**

Any other provision of this Statement of Terms and Conditions to the contrary notwithstanding, if the independent members of the Board or the Independent Committee determines that a Participant has engaged in conduct which constitutes Cause, the following provisions shall apply:

- A. Any outstanding Option Rights or Appreciation Rights shall immediately and automatically terminate, be forfeited and shall cease to be exercisable, without limitation. In addition, any Shares of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units as to which the restrictions have not lapsed shall immediately and automatically be forfeited, all of the rights of the Participant to such Shares, Share Equivalents, cash or other property shall immediately terminate, and any Restricted Stock shall be returned to the Company.

- B. The lapse of restrictions on or vesting of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units that have vested or upon which the restrictions have lapsed within the 24-month period immediately prior to the date it is determined that the Participant engaged in conduct constituting Cause (the “Determination Date”) shall be rescinded and all outstanding Awards shall be cancelled. The Participant shall deliver to the Company the Shares, cash and any other property delivered upon vesting or lapse of restrictions if such vesting or lapse of restrictions has been rescinded and the Shares, cash or other property retained by the Participant.
- C. The independent members of the Board or the Independent Committee may, to the extent permitted by applicable law, rescind any awards made to the Participant within the 24-month period immediately prior to the Determination Date.
- D. The independent members of the Board or the Independent Committee may, to the extent permitted by applicable law, recover any gains realized from the sale of vested Shares or the sale or other disposition of any Shares issued or issuable upon the exercise of an Option Right, in the case of any such sale or other disposition during the 24-month period immediately prior to the Determination Date.

The independent members of the Board or the Independent Committee shall determine in such body’s sole discretion whether the Participant has engaged in conduct that constitutes Cause.

Any provision of this Section VII which is determined by a court of competent jurisdiction to be invalid or unenforceable should be construed or limited in a manner that is valid and enforceable and that comes closest to the business objectives intended by such invalid or unenforceable provision, without invalidating or rendering unenforceable the remaining provisions of this Section VII.

#### **VIII. RECOUPMENT IN THE EVENT OF A RESTATEMENT**

Any other provision of this Statement of Terms and Conditions to the contrary notwithstanding, if the Company’s financial statements are the subject of a restatement due to misconduct, fraud or malfeasance, then the following shall apply:

- A. To the extent permitted by governing law, the independent members of the Board or the Independent Committee may, in its discretion, (1) rescind any Excess Equity Award or portion thereof paid to an Executive Officer within the 24-month period immediately prior to the date such material restatement is first publicly disclosed and (2) in the event that an Executive Officer has sold or otherwise disposed of some or all of the Shares subject to the Excess Equity Award, recover any gains made from the sale or other disposition of such Shares that was effected during the 24-month period immediately prior to the date such material restatement is first publicly disclosed. In no event shall the Company be required



to award an Executive Officer additional equity incentive compensation should the restated financial statements result in a higher equity incentive payment.

- B. In addition to the foregoing, the independent members of the Board or the Independent Committee may, in its discretion, require that an Executive Officer pay the Company, in cash and upon demand, Option Proceeds resulting from the sale or other disposition of Shares issued or issuable upon the exercise of Option Rights if the sale or disposition was effected during the 24-month period immediately prior to the date such material restatement is first publicly disclosed.

Any provision of this Section VIII which is determined by a court of competent jurisdiction to be invalid or unenforceable should be construed or limited in a manner that is valid and enforceable and that comes closest to the business objectives intended by such invalid or unenforceable provision, without invalidating or rendering unenforceable the remaining provisions of this Section VIII.

## **IX. CHANGE IN CONTROL**

- A. Effect of Change in Control on Option Rights. Subject to the limitations set forth in Section IX. C, in the event of a Change in Control, the surviving, continuing, successor, or purchasing Company or other business entity or parent thereof, as the case may be (the “Acquiror”) may, without the consent of any Participant, either assume or continue the Company’s rights and obligations under outstanding Option Rights or substitute for outstanding Option Rights substantially equivalent options covering the Acquiror’s stock. All Option Rights assumed or continued by the Acquiror in connection with a Change in Control will become fully vested and exercisable if the Participant’s employment is terminated without Cause at any time during the 12-month period following the Change in Control.

Any Option Rights granted one year or more prior to the Change in Control that is neither assumed nor continued by the Acquiror in connection with the Change in Control shall, contingent on the Change in Control, become fully vested and exercisable immediately prior to the Change in Control. Any Option Right granted less than one year prior to the Change in Control that is neither assumed nor continued by the Acquiror in connection with the Change in Control shall, to the extent not previously vested and exercisable, immediately prior to the Change in Control become vested and exercisable as to the number of Shares subject to such Option Rights equal to (i) the number of Shares originally subject to such Option Rights, multiplied by a fraction (ii) the number of whole months between the Date of Grant and the Change in Control, divided by (iii) the number of months between the Date of Grant and the date on which all Shares originally subject to such Option Rights would have been fully vested and exercisable; and such Option Rights shall terminate with respect to all remaining Shares subject to such Option Rights.

- B. Effect of Change in Control on Awards Other than Option Rights. Subject to the limitations set forth in Section IX. C, in the event of a Change in Control, the Acquiror may, without the consent of any Participant, either assume or continue the Company's rights and obligations under outstanding Awards other than Option Rights or substitute for such Awards substantially equivalent awards covering the Acquiror's stock. All Awards other than Option Rights assumed or continued by the Acquiror in connection with a Change in Control will become fully vested (in the case of performance awards, with performance equal to the greater of target performance and projected actual performance as determined by the Administrator) and all restrictions on such Awards will lapse if the Participant's employment is terminated without Cause at any time during the 12-month period following the Change in Control. Any Award that is neither assumed nor continued by the Acquiror in connection with the Change in Control (or, with respect to any Award that constitutes deferred compensation within the meaning of Code Section 409A, any Award which at the time of the Change in Control is otherwise considered to be vested for purposes of Code Section 409A) shall, upon the Change in Control, become fully vested (in the case of performance awards, with performance equal to the greater of target performance and projected actual performance as determined by the Administrator) and all restrictions shall be released immediately prior to the Change in Control, and such Award shall become immediately payable. Notwithstanding anything in this Section IX. B to the contrary, with respect to any Award that constitutes deferred compensation within the meaning of Code Section 409A, if the Change in Control does not constitute a "change in control event" of the Company within the meaning of Code Section 409A, such Award will vest as provided for in the preceding sentence, but will be payable to the Participant in accordance with the provisions of Section VI within 60 days of the fixed date or dates pursuant to a fixed schedule determined under Section VI. F. 1 or the earlier of the Participant's separation from service, subject to Section VI. F. 2, or a Change in Control which constitutes a "change in control event" of the Company within the meaning of Code Section 409A (a "409A Change in Control").
- C. Excess Parachute Payments. Subject to a Severance Agreement between the Participant and the Company approved by the Board or the Committee, if any amount or benefit to be paid or provided under an Award or any other agreement between a Participant and the Company would be an Excess Parachute Payment but for the application of this sentence, then the payments and benefits to be paid or provided under the Award 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. The determination of whether any reduction in such payments or benefits to be provided under the Award or any other agreement or otherwise is required pursuant to the preceding sentence will be made at the expense of the Company by independent accountants or the Company's benefits consultant. The fact that the Participant's right to payments or benefits may be reduced by reason

of the limitations contained in this paragraph will not of itself limit or otherwise affect any other rights of the Participant under any other agreement. In the event that any payment or benefit intended to be provided is required to be reduced pursuant to this paragraph, a Participant will be entitled to designate the payments and/or benefits to be so reduced in order to give effect to this paragraph, provided, however, if any such payments and/or benefits constitute deferred compensation within the meaning of Section 409A, the following rules shall apply: first a pro rata reduction of (i) cash payments subject to Section 409A of the Code as deferred compensation and (ii) cash payments not subject to Section 409A of the Code, and second a pro rata cancellation of (x) equity-based compensation subject to Section 409A of the Code as deferred compensation and (y) equity-based compensation not subject to Section 409A of the Code. The Company will provide Participant with all information reasonably requested by Participant to permit Participant to make such designation. In the event that the Participant fails to make such designation within 10 business days after receiving notice from the Company of a reduction under this paragraph, the Company may effect such reduction in any manner it deems appropriate.

#### **X. CODE SECTION 409A**

- A. To the extent applicable, it is intended that all Awards comply with, or be exempt from, Code Section 409A, so that the income inclusion provisions of Code Section 409A(a)(1) do not apply to any Participants. All Awards are to be interpreted and administered in a manner consistent with this intent.
- B. Notwithstanding any provision in this Statement of Terms and Conditions or in any other agreement to the contrary, payment in the case of an Award that constitutes deferred compensation within the meaning of Code Section 409A which specifically contemplates payment in a year after the Participant's separation from service shall be paid within 60 days of the fixed date or dates pursuant to a fixed schedule determined under Section VI. F or, to the extent the Award is otherwise considered to be vested for purposes of Code Section 409A, the earlier of: (i) a Change in Control which constitutes a 409A Change in Control, (ii) the Participant's separation from service, subject to Section VI. F. 2, within two years after a Change in Control which constitutes a 409A Change in Control or (iii) the Participant's death

#### **XI. MISCELLANEOUS**

- A. No Effect on Terms of Employment. Subject to the terms of any employment contract entered into by the Company and a Participant to the contrary, the Company (or an Affiliate which employs him or her) shall have the right to terminate or change the terms of employment of a Participant at any time and for any reason whatsoever.

- B. Grants to Participants in Foreign Countries. In making grants to Participants in foreign countries, the Administrator has the full discretion to deviate from this Statement of Terms and Conditions in order to adjust Awards under the Plan to prevailing local conditions, including custom and legal and tax requirements.
- C. Information Notification. Any information required to be given under the terms of an Evidence of Award shall be addressed to the Company in writing by mail, overnight delivery service, or by electronic transmission to the Executive Vice President, Chief Human Resources Officer and the Vice President, Total Rewards. Any notice to be given to a Participant shall be given in writing by mail, overnight delivery service, or by electronic transmission.
- D. Administrator Decisions Conclusive. All decisions of the Administrator administering the Plan upon any questions arising under the Plan, under this Statement of Terms and Conditions, or under an Evidence of Award, shall be conclusive.
- E. No Effect on Other Benefit Plans. Nothing herein contained shall affect a Participant's right to participate in and receive benefits from and in accordance with the then current provisions of any pensions, insurance or other employment welfare plan or program offered by the Company.
- F. Withholding. Each Participant shall agree to make appropriate arrangements with the Company and his or her employer for satisfaction of any applicable federal, state or local income tax withholding requirements or payroll tax requirements. If approved by the Company at the time of exercise, such arrangements may include an election by a Participant to have the Company retain some portion of the Stock acquired pursuant to exercise of Option Rights to satisfy such withholding requirements. The election must be made prior to the date on which the amount to be withheld is determined. If a qualifying election is made, then upon exercise of an award of Option Rights, in whole or in part, the Company will retain the number of Shares having a value equal to the amount necessary to satisfy any withholding requirements. Calculation of the number of Shares to be withheld shall be made based on the Market Value per Share of Common Stock. In no event, however, shall the Company be required to issue fractional shares of Stock. The Administrator shall be authorized to establish such rules, forms and procedures as it deems necessary to implement the foregoing.
- With respect to the vesting of an Award other than Option Rights, the Company shall retain the number of Shares (that otherwise would have been payable to the Participant) having a value equal to the amount necessary to satisfy any withholding requirements. Calculation of the number of such Shares shall be as described above.
- G. Successors. This Statement of Terms and Conditions and the Evidence of Award shall be binding upon and inure to the benefit of any successor or successors of

the Company. "Participant" as used herein shall include the Participant's Beneficiary.

- H. Governing Law. The interpretation, performance, and enforcement of this Statement of Terms and Conditions and each Evidence of Award shall be governed by the laws of the State of Delaware.

**ABM INDUSTRIES INCORPORATED****STATEMENT OF TERMS AND CONDITIONS APPLICABLE TO AWARDS  
GRANTED TO NON-EMPLOYEE DIRECTORS  
PURSUANT TO THE 2021 EQUITY AND INCENTIVE COMPENSATION PLAN****I. INTRODUCTION**

The following terms and conditions shall apply to each Award granted under the Plan to a non-employee Director eligible to participate in the Plan. This Statement of Terms and Conditions is subject to the terms of the Plan and of any Award made pursuant to the Plan. In the event of any inconsistency between this Statement of Terms and Conditions and the Plan, the Plan shall govern.

**II. DEFINITIONS**

Capitalized terms not otherwise defined in this Statement of Terms and Conditions shall have the meaning set forth in the Plan. When capitalized in this Statement of Terms and Conditions, the following additional terms shall have the meaning set forth below:

- A. “Administrator” means the Board or the committee of the Board appointed to administer the Plan, or a delegate of the Board as provided for in the Plan.
- B. “Appreciation Right Period” means the period commencing on the Date of Grant of an Appreciation Right and, except as otherwise provided in Section V. E, ending on the Termination Date.
- C. “Award” means any award of Option Rights, Appreciation Rights, Restricted Stock, or Restricted Stock Units under the Plan.
- D. “Beneficiary” means the individual identified by the Participant to whom distribution shall be made of any Award outstanding at the time of the Participant’s death.
- E. “Disability” and “Disabled” means, unless otherwise set forth in an Evidence of Award, that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- F. “Mandatory Retirement” means the mandatory termination of service by a non-employee Director on (but not before) the date of the annual meeting of shareholders next following the attainment of such Director of age 73.
- G. “Option Period” means the period commencing on the Date of Grant of Option Rights and, except as otherwise provided in Section IV. E, ending on the Termination Date.

- H. “Retirement” means the voluntary termination of service by a non-employee Director at (i) age 65 or older or (ii) age 55 or older at a time when age plus years of service equals or exceeds 65.
- I. “Share” means one share of Common Stock, as may be adjusted from as a result of a recapitalization.
- J. “Share Equivalent” means a bookkeeping entry representing a right to the equivalent of one Share.
- K. “Termination Date” means the date that Option Rights expire as set forth in the Evidence of Award.

### III. MINIMUM VESTING REQUIREMENT

- A. Awards granted under the Plan to Participants shall be subject to a minimum vesting period of one year. Notwithstanding the foregoing, (i) the Committee may authorize acceleration of vesting of such awards in the event of the Participant’s death, Disability, termination of service or the occurrence of a Change in Control, (ii) the Committee may grant awards without the above-described minimum requirements with respect to awards covering up to 5% of the aggregate number of Shares authorized for issuance under the Plan, and (iii) with respect to awards granted to non-employee Directors, the vesting of such awards will be deemed to satisfy the minimum vesting requirement to the extent that the awards vest based on the approximate one-year period beginning on each regular annual meeting of the Company’s stockholders and ending on the date of the next regular annual meeting of the Company’s stockholders (in no case will the minimum vesting requirement be less than 50 weeks).

### IV. OPTION RIGHTS

- A. Option Notice and Evidence of Award. Option Rights granted under the Plan shall be evidenced by an Evidence of Award setting forth the terms and conditions of the Option Rights and the number of Shares subject to the Option Rights. Each Evidence of Award shall incorporate by reference and be subject to this Statement of Terms and Conditions and the terms and conditions of the Plan.
- B. Exercise Price. The per Share Exercise Price of the Option Rights, as specified in the Evidence of Award, shall be equal to or greater than the Market Value per Share of the Shares underlying the Option Rights on the Date of Grant.
- C. Option Period. Option Rights shall be exercisable only during the applicable Option Period, and during such Option Period the exercisability of the Option Rights shall be subject to the vesting provisions of Section IV. D as modified by the rules set forth in Sections III, IV. E and VII. The Option Period shall be not more than ten years from the Date of Grant.

D. Vesting of Right to Exercise Option Rights.

1. Except as provided in the last sentence of this Section IV. D. 1 and in Sections IV. E and VII, Option Rights shall be exercisable during the Option Period in accordance with the following vesting schedule: (i) one-third of the Shares subject to the Option Rights shall vest on the first anniversary of the Date of Grant; (ii) an additional one-third of the Shares shall vest on the second anniversary of the Date of Grant; and (iii) the remaining one-third of the Shares subject to the Option Rights shall vest on the third anniversary of the Date of Grant. Notwithstanding the foregoing, the Administrator may specify a different vesting schedule.
2. Any vested portion of an award of Option Rights not exercised hereunder shall accumulate and be exercisable at any time on or before the Termination Date, subject to the rules set forth in Sections IV. E and VII. No Option Right may be exercised for less than 5% of the total number of Shares then available for exercise under such Option Rights. In no event shall the Company be required to issue fractional shares.

E. Termination of Service due to Retirement. If, during the Option Period, a Participant ceases to be a Director of the Company due to his or her Retirement that occurs at least one year following the Date of Grant, then in addition to any Shares vested under the Evidence of Award prior to the date of such Retirement, the Option Rights shall vest in the number of Shares equal to one-third of the number of Shares originally subject to the Option Rights, multiplied by the number of whole months between the most recent anniversary date of the Option Rights grant and the date of such Retirement and divided by 12.

F. Termination of Service due to Mandatory Retirement, Disability or Death. If, during the Option Period, a Participant ceases to be a Director of the Company due to his or her Mandatory Retirement at least one year following the Grant Date, death, or determination of Disability, in addition to any Shares vested under the Evidence of Award prior to the date of such Mandatory Retirement, death or determination of Disability, the Option Rights shall immediately vest on the date of such Mandatory Retirement, death or determination of Disability.

G. Method of Exercise. A Participant may exercise Option Rights with respect to all or any part of the exercisable Shares as follows:

1. By giving the Company, or its authorized representative designated for this purpose, written notice of such exercise specifying the number of Shares as to which the Option Rights are so exercised. Such notice shall be accompanied by an amount equal to the Exercise Price of such Shares, in the form of any one or combination of the following:



- a. cash or certified check, bank draft, postal or express money order in lawful money of the United States;
  - b. personal check of the Participant;
  - c. a “net exercise” pursuant to which the Company will not require a payment of the Exercise Price from the Participant but will reduce the number of Shares issued upon the exercise by the largest number of whole Shares such that the Market Value per Share multiplied by the number of Shares does not exceed the aggregate Exercise Price. With respect to any remaining balance of the aggregate Exercise Price, the Company shall accept payment in a form identified in (a) or (b) of this section;
  - d. by tendering to the Company or its authorized representative Shares having a Market Value per Share, as determined by the Company, such that the aggregate value of the Shares is equal to the Exercise Price;
  - e. delivery (including by facsimile or email transmission) to the Company or its authorized representative of an executed irrevocable option exercise form together with irrevocable instructions to an approved registered investment broker to sell Shares in an amount sufficient to pay the Exercise Price and to transfer the proceeds of such sale to the Company; and
2. If required by the Company, the Participant shall give his or her assurance in writing, signed by the Participant that the Shares subject to the Option Rights are being purchased for investment and not with a view to the distribution thereof; provided that such assurance shall be deemed inapplicable to (i) any sale of the Shares by such Participant made in accordance with the terms of a registration statement covering such sale, which has heretofore been (or may hereafter be) filed and become effective under the Securities Act of 1933, as amended (the “Securities Act”), and with respect to which no stop order suspending the effectiveness thereof has been issued, and (ii) any other sale of the Shares with respect to which, in the opinion of counsel for the Company, such assurance is not required to be given in order to comply with the provisions of the Securities Act.

H. Limitations on Transfer. Option Rights shall, during a Participant’s lifetime, be exercisable only by the Participant. No Option Right or any right granted thereunder shall be transferable by the Participant by operation of law or otherwise, other than as set forth in the Plan. In the event of any attempt by a Participant to alienate, assign, pledge, hypothecate, or otherwise dispose of Option Rights or of any right thereunder, except as provided herein, or in the

event of the levy of any attachment, execution, or similar process upon the rights or interest hereby conferred, the Company at its election may terminate the affected Option Rights by notice to the Participant and the Option Rights shall thereupon become null and void.

- I. No Stockholder Rights. Neither a Participant nor any person entitled to exercise a Participant's rights in the event of the Participant's death shall have any of the rights of a stockholder with respect to the Shares subject to Option Rights except to the extent that such Option Rights have been exercised.

## V. APPRECIATION RIGHTS

- A. Evidence of Award. A grant of Appreciation Rights granted under the Plan shall be evidenced by an Evidence of Award setting forth the terms and conditions of the Award. Each Evidence of Award shall incorporate by reference and be subject to this Statement of Terms and Conditions and the terms and conditions of the Plan, except as may otherwise be determined by the Administrator.
- B. Base Price. The Base Price of an Appreciation Right, as specified in the Evidence of Award, shall be equal to or greater than the Market Value per Share of the Shares underlying the Appreciation Right on the Date of Grant.
- C. Appreciation Right Period. An Appreciation Right shall be exercisable only during the applicable Appreciation Right Period, and during such Appreciation Right Period the exercisability of the Appreciation Right shall be subject to the vesting provisions of Section V. D as modified by the rules set forth in Sections III, V. D and VII. No Appreciation Right granted under this Plan may be exercised more than ten years from the Date of Grant. The Committee may provide in any Evidence of Award for the automatic exercise of an Appreciation Right upon such terms and conditions as established by the Committee.
- D. Vesting of Right to Exercise Appreciation Rights.
  1. Except as provided in Section VII, Appreciation Rights shall be exercisable during the Appreciation Right Period in accordance with the following vesting schedule: (i) one-third of the Shares subject to the Appreciation Right shall vest on the first anniversary of the Date of Grant; (ii) an additional one-third of the Shares shall vest on the second anniversary of the Date of Grant; and (iii) the remaining one-third of the Shares shall vest on the third anniversary of the Date of Grant.
  2. Any vested portion of an Appreciation Right not exercised hereunder shall accumulate and be exercisable at any time on or before the Termination Date, subject to the rules set forth in Section VII.

- E. Termination of Service due to Retirement. If, during the Option Period, a Participant ceases to be a Director of the Company due to his or her Retirement that occurs at least one year following the Date of Grant, then in addition to any Shares vested under the Evidence of Award prior to the date of such Retirement, the Option Rights shall vest in the number of Shares equal to one-third of the number of Shares originally subject to the Option Rights, multiplied by the number of whole months between the most recent anniversary date of the Option Rights grant and the date of such Retirement and divided by 12.
- F. Termination of Service due to Mandatory Retirement, Disability or Death. If, during the Option Period, a Participant ceases to be a Director of the Company due to his or her Mandatory Retirement at least one year following the Grant Date, death, or determination of Disability, in addition to any Shares vested under the Evidence of Award prior to the date of such Mandatory Retirement, death or determination of Disability, the Option Rights shall immediately vest on the date of such Mandatory Retirement, death or determination of Disability.
- G. Limitations on Transfer. Appreciation Rights shall, during a Participant's lifetime, be exercisable only by the Participant. No Appreciation Right or any right granted thereunder shall be transferable by the Participant by operation of law or otherwise, other than as set forth in the Plan. In the event of any attempt by a Participant to alienate, assign, pledge, hypothecate, or otherwise dispose of Appreciation Rights or of any right thereunder, except as provided herein, or in the event of the levy of any attachment, execution, or similar process upon the rights or interest hereby conferred, the Company at its election may terminate the affected Appreciation Rights by notice to the Participant and the Appreciation Rights shall thereupon become null and void.
- H. No Stockholder Rights. Neither a Participant nor any person entitled to exercise a Participant's rights in the event of the Participant's death shall have any of the rights of a stockholder with respect to the Shares subject to Appreciation Rights except to the extent that such Appreciation Rights have been exercised.

## **VI. RESTRICTED STOCK AND RESTRICTED STOCK UNITS**

- A. Evidence of Award. A grant of Restricted Stock or Restricted Stock Units granted under the Plan shall be evidenced by an Evidence of Award to be executed by the Participant and the Company setting forth the terms and conditions of the Award. Each Evidence of Award shall incorporate by reference and be subject to this Statement of Terms and Conditions and the terms and conditions of the Plan, except as may otherwise be determined by the Administrator.
- B. Special Restrictions. Each grant of Restricted Stock or Restricted Stock Units made under the Plan shall contain the following terms, conditions and restrictions, except as may otherwise be determined by the Administrator.

1. Restrictions. Until the restrictions imposed on any grant of Restricted Stock or Restricted Stock Units shall lapse, Shares of Restricted Stock or Restricted Stock Units granted to a Participant: (a) shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of, and (b) shall, if the Participant experiences a “separation from service” (within the meaning of Section 409A of the Code) from the Company or an Affiliate for any reason (except as otherwise provided in the Plan or in Sections VI. B. 2 or VII) be returned to the Company forthwith, and all the rights of the Participant to such Shares or Restricted Stock Units shall immediately terminate. A Participant shall not be permitted to sell, transfer, pledge, assign or encumber such Restricted Stock or Restricted Stock Units. If a Participant experiences a “separation from service” (within the meaning of Section 409A of the Code) from the Company (except as otherwise provided in the Plan or in Sections VI. B. 2 or VII) prior to the lapse of the restrictions imposed on an award of Restricted Stock or Restricted Stock Units, the unvested portion of the award of Restricted Stock or Restricted Stock Units shall be forfeited to the Company, and all the rights of the Participant to such Award shall immediately terminate.
2. Terminations of Service by Reason of Retirement. Notwithstanding any provision contained herein or in the Plan or Evidence of Award to the contrary, if a Participant who has been serving as a Director of the Company since the Date of Grant of an award of Restricted Stock or Restricted Stock Units that remains outstanding ceases to be a Director of the Company, which cessation constitutes a “separation from service” within the meaning of Section 409A of the Code and which is a result of Retirement that occurs at least one year following the Date of Grant, then the restrictions shall lapse as to the number of Shares or Share Equivalents equal to: (i) the number of Shares or Share Equivalents originally subject to the Award, multiplied by (ii) a fraction (x) the number of whole months between the Date of Grant and the date of such separation from service, divided by (y) the number of whole months between the Date of Grant and the final vesting date contemplated in the Award, less (iii) the number of Shares or Share Equivalents originally subject to the Award that have already become vested.
3. Terminations of Service by Reason of Mandatory Retirement, Disability or Death. Notwithstanding any provision contained herein or in the Plan or Evidence of Award to the contrary, if a Participant who has been serving as a Director of the Company since the Date of Grant of an award of Restricted Stock or Restricted Stock Units that remains outstanding ceases to be a Director of the Company, which cessation constitutes a “separation from service” within the meaning of Section 409A of the Code and which is a result of Mandatory Retirement that occurs at least one year

following the Date of Grant, death or determination of Disability, then the restrictions shall lapse as to the number of Shares or Share Equivalents equal to the number of Shares or Share Equivalents originally subject to the Award, that had not previously lapsed.

- C. Dividends or Dividend Equivalents. Upon dividends being paid on outstanding shares of the Company's Common Stock, dividends shall be paid with respect to Restricted Stock during the Restriction Period and shall be converted to additional shares of Restricted Stock, which shall be subject to the same restrictions as the original Award for the duration of the Restricted Period. Upon cash dividends being paid on outstanding shares of the Company's Common Stock, dividend equivalents shall be credited in respect of Restricted Stock Units, which shall be converted into additional Restricted Stock Units, which will be subject to all of the terms and conditions of the underlying Restricted Stock Units including the same vesting restrictions as the underlying Evidence of Award. Upon stock dividends being paid on outstanding shares of the Company's Common Stock or a Change in Control, the Administrator is authorized to take such actions and make such changes with respect to outstanding Awards as are consistent with the Plan and this Statement of Terms and Conditions to effect the terms of the Awards.
- D. No Stockholder Rights for Restricted Stock Units. Neither a Participant nor any person entitled to exercise a Participant's rights in the event of the Participant's death shall have any of the rights of a stockholder with respect to the Share Equivalents subject to an award of Restricted Stock Units except to the extent that a stock certificate (or other evidence of ownership) has been issued by the Company with respect to such Shares upon the payment of any vested Restricted Stock Units.
- E. Time of Payment of Restricted Stock Units.
1. Subject to Section VI. E. 2 below, upon the lapse of the restriction imposed on Restricted Stock Units, all Restricted Stock Units that were not forfeited pursuant to Sections VI. B. 1 or VII shall be paid to the Participant as soon as reasonably practicable after the restrictions lapse but not later than 75 days following the date on which the restrictions lapse. Payment shall be made in Shares.
  2. To the extent required in order to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts that would otherwise be payable pursuant to Section VI. E of this Statement of Terms and Conditions during the six-month period immediately following a Participant's termination of service shall instead be paid on the first business day after the date that is six months following the Participant's "separation from service" (within the meaning of Section 409A of the Code) or upon the Participant's death, if earlier.

## VII. CHANGE IN CONTROL

- A. Effect of Change in Control on Option Rights. In the event of a Change in Control, the surviving, continuing, successor, or purchasing Company or other business entity or parent thereof, as the case may be (the “Acquiror”) may, without the consent of any Participant, either assume or continue the Company’s rights and obligations under outstanding Option Rights or substitute for outstanding Option Rights substantially equivalent options covering the Acquiror’s stock. All Option Rights assumed or continued by the Acquiror in connection with a Change in Control will become fully vested and exercisable if the Participant’s service is terminated without Cause at any time during the 12-month period following the Change in Control.

Any Option Rights granted one year or more prior to the Change in Control that is neither assumed nor continued by the Acquiror in connection with the Change in Control shall, contingent on the Change in Control, become fully vested and exercisable immediately prior to the Change in Control. Any Option Right granted less than one year prior to the Change in Control that is neither assumed nor continued by the Acquiror in connection with the Change in Control shall, to the extent not previously vested and exercisable, immediately prior to the Change in Control become vested and exercisable as to the number of Shares subject to such Option Rights equal to (i) the number of Shares originally subject to such Option Rights, multiplied by a fraction (ii) the number of whole months between the Date of Grant and the Change in Control, divided by (iii) the number of months between the Date of Grant and the date on which all Shares originally subject to such Option Rights would have been fully vested and exercisable; and such Option Rights shall terminate with respect to all remaining Shares subject to such Option Rights.

- B. Effect of Change in Control on Awards Other than Option Rights. In the event of a Change in Control, the Acquiror may, without the consent of any Participant, either assume or continue the Company’s rights and obligations under outstanding Awards other than Option Rights or substitute for such Awards substantially equivalent awards covering the Acquiror’s stock. All Awards other than Option Rights assumed or continued by the Acquiror in connection with a Change in Control will become fully vested and all restrictions on such Awards will lapse if the Participant’s service is terminated without Cause at any time during the 12-month period following the Change in Control. Any Award that is neither assumed nor continued by the Acquiror in connection with the Change in Control (or, with respect to any Award that constitutes deferred compensation within the meaning of Code Section 409A, any Award which at the time of the Change in Control is otherwise considered to be vested for purposes of Code Section 409A) shall, upon the Change in Control, become fully vested and all restrictions shall be released immediately prior to the Change in Control, and such Award shall become immediately payable. Notwithstanding anything in this Section VII. B to

the contrary, with respect to any Award that constitutes deferred compensation within the meaning of Code Section 409A, if the Change in Control does not constitute a “change in control event” of the Company within the meaning of Code Section 409A, such Award will vest as provided for in the preceding sentence, but will be payable to the Participant in accordance with the provisions of Section VI within 75 days of the fixed date or dates pursuant to a fixed schedule determined under Section VI. E. 1 or the earlier of the Participant’s separation from service, subject to Section VI. E. 2, or a Change in Control which constitutes a “change in control event” within the meaning of Code Section 409A.

#### **VIII. CODE SECTION 409A**

- A. To the extent applicable, it is intended that all Awards comply with, or be exempt from, Code Section 409A, so that the income inclusion provisions of Code Section 409A(a)(1) do not apply to any Participants. All Awards are to be interpreted and administered in a manner consistent with this intent.

#### **IX. MISCELLANEOUS**

- A. Grants to Participants in Foreign Countries. In making grants to Participants in foreign countries, the Administrator has the full discretion to deviate from this Statement of Terms and Conditions in order to adjust Awards under the Plan to prevailing local conditions, including custom and legal and tax requirements.
- B. Information Notification. Any information required to be given under the terms of an Evidence of Award shall be addressed to the Company in writing by mail, overnight delivery service, or by electronic transmission to the Executive Vice President, Chief Human Resources Officer and the Vice President, Total Rewards. Any notice to be given to a Participant shall be given in writing by mail, overnight delivery service, or by electronic transmission.
- C. Administrator Decisions Conclusive. All decisions of the Administrator administering the Plan upon any questions arising under the Plan, under this Statement of Terms and Conditions, or under an Evidence of Award, shall be conclusive.
- D. No Effect on Other Benefit Plans. Nothing herein contained shall affect a Participant’s right to participate in and receive benefits from and in accordance with the then current provisions of any pensions, insurance or other employment welfare plan or program offered by the Company to its non-employee directors.
- E. Tax Payments. Each Participant shall agree to satisfy any applicable federal, state or local income taxes associated with an Award.
- F. Successors. This Statement of Terms and Conditions and the Evidence of Award shall be binding upon and inure to the benefit of any successor or successors of

the Company. "Participant" as used herein shall include the Participant's Beneficiary.

- G. Governing Law. The interpretation, performance, and enforcement of this Statement of Terms and Conditions and each Evidence of Award shall be governed by the laws of the State of Delaware.



## CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement (this “Agreement”), effective as of April 1, 2011, 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”).

### 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 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, 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.

(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; 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.

(e) “Change in Control” means that during the Term 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-1 2(c) under the Exchange Act and (B) within 18 months after either such event, individuals who were members of the Board of Directors of the Company immediately prior to either such event cease to constitute a majority of the members of the Board of Directors of the Company; or

(ii) Incumbent Directors; or

(iii) a majority of the Board ceases to be comprised of 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 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 or any successor provision thereto.

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

(1) “Good Reason” means the occurrence of one or more of the following events:

(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 liquidation, dissolution, merger, consolidation or reorganization of the Company or the transfer of all or substantially all of its business and/or assets, unless the successor or successors (by liquidation, merger, consolidation, reorganization, transfer or otherwise) to which all or substantially all of its business and/or assets have been transferred (by operation of law or otherwise) assumed all duties and obligations of the Company under this Agreement pursuant to Section 1 l(a);

(iv) If the Executive's principal residence at the time in question is within 35 miles of the Company's headquarters or the headquarters of the Subsidiary that is Executive's employer, the Company requires the Executive to have Executive's principal location of work changed to any location that is in excess of 50 miles from such residence without Executive's prior written consent; or

(v) Without limiting the generality or effect of the foregoing, any material breach of this Agreement or any Other Employment Agreement (as defined in Section 6) 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) - (v), 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. 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, and the regulations and guidance promulgated thereunder, or any successor statute.

(v) Section 409A means Section 409A of the Code, and the regulations and guidance promulgated thereunder, or any successor statute.

(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) “Term” means the period commencing as of the date hereof and expiring on the close of business on December 31, 2011; provided, however, that (i) commencing on January 1, 2012 and each January 1 thereafter, the term of this Agreement will automatically be extended for an additional year unless, not later than September 30 of the immediately preceding year, the Company or the Executive shall have given notice that it or the Executive, as the case may be, does not wish to have the Term extended; (ii) if a Change in Control occurs during the Term, the Term will expire on the last day of the Severance Period; and (iii) subject to Section 3(c), 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 the Term shall be deemed to have expired and this Agreement will immediately terminate and be of no further effect.

(z) “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)).

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

(bb) “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, except as provided in Section 3(c), this Agreement will not be operative unless and until a Change in Control occurs. Upon the occurrence of a Change in Control at any time during the Term, without further action, this Agreement will become immediately operative.

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.

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 during the Severance Period 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"), 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 five business days after the Termination Date (subject to the provisions of Section 4(d) of this Agreement) and will continue to provide to the Executive the benefits described in Annex A for the periods described therein.

(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, 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 8 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 less than 90% of the After-Tax Amount of the severance payments 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 8 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, the Executive will be entitled to designate the payments and/or benefits to be so reduced in order to give effect to this Section 5, provided, however, that payments that do not constitute deferred compensation within the meaning of Section 409A shall be reduced first. The Company will provide the Executive with all information reasonably requested by the Executive to permit the Executive to make such designation. In the event that the Executive fails to make such designation within 10 business days after receiving notice from the Company of a reduction under this Section 5, the Company may effect such reduction in any manner it deems appropriate.

6. 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, except as expressly provided in Paragraph 2(E) of Annex A.

(b) A termination of employment pursuant to Section 3(a), 3(b) or 3(c) 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.

7. 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.

8. Competitive Activity; Confidentiality; Nonsolicitation.

(a) For the period following the Termination Date specified in Paragraph (3) 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) During the Term, the Company agrees that it will disclose to Executive its confidential or proprietary information (as defined in this Section 8(b)) to the

extent necessary for Executive to carry out Executive's obligations to the Company. The Executive hereby covenants and agrees that Executive will not, without the prior written consent of the Company, during the Term and two years thereafter 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 8(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 8(b) will not apply (i) during the Term, in the course of the business of and for the benefit of the Company, (ii) if such confidential or proprietary information has become, through no fault of the Executive, generally known to the public or (iii) if the Executive is required by law to make disclosure (after giving the Company notice and an opportunity to contest such requirement).

(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 8 are reasonable under the circumstances and subject to the provisions of Section 14 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 8 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.

9. 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.

10. 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.

11. 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, 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 11(a) and 11(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 11(c), the Company will have no liability to pay any amount so attempted to be assigned, transferred or delegated.

12. 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.

13. 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 8(d) to bring an action to enforce the covenants contained in Section 8 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.

14. 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 8 hereof, 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 8 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.

15. 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.

16. Survival. Notwithstanding any provision of this Agreement to the contrary, the parties' respective rights and obligations under Sections 3(c), 4, 5, 7, 8, 9, 10, 11(b), 16 and 18 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.

17. 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 12. 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.

18. 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.

19. 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). Prior to any Change in Control, the Company and the Executive will agree to any amendment of this Agreement approved by the Board based on the advice of Skadden, Arps, Slate, Meagher & Flom, LLP or any other nationally recognized law firm designated by the Board that such amendment, if implemented, is or is reasonably likely to reduce any adverse effect on the Company or the Executive of any rule, regulation or IRS interpretation of Section 409A and that such firm is recommending similar changes or provisions to its other clients that have change-in-control, severance or employment agreements or plans.

**[Remainder of page intentionally left blank]**

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

ABM INDUSTRIES INCORPORATED

By: /s/ Erin M. Andre

Title: Senior Vice President, Human Resources

Date: April 29, 2011

Signature: /s/ Dean A. Chin

Date: April 29, 2011

## Annex A

**SEVERANCE COMPENSATION, ETC.**

(1) A lump sum payment in an amount equal to 1.5 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)(A) For any Welfare Benefits that the Executive was receiving or entitled to receive immediately prior to the Termination Date (or, if greater, immediately prior to the reduction, termination or denial described in Section 1(l)(ii)) that are considered to be “reimbursement arrangements” covered under Section 1.409A-1(b)(9)(iv)(A) of the Code:

- (i) for a period of 18 months following the Termination Date (the “Continuation Period”), the Company will arrange to provide the Executive with Welfare Benefits substantially similar to those that the Executive was receiving or entitled to receive immediately prior to the Termination Date (or, if greater, immediately prior to the reduction, termination, or denial described in Section 1(l)(ii)) except that the level of any such Welfare Benefits to be provided to the Executive may be reduced in the event of a corresponding reduction generally applicable to all similarly situated recipients of or participants in such Welfare Benefits. If and to the extent that any benefit described in this Paragraph 2 is not or cannot be paid or provided under any policy, plan, program or arrangement of the Company or any Subsidiary, as the case may be, then the Company will itself pay or provide for the payment to the Executive, Executive’s dependents and beneficiaries, of such Welfare Benefits along with, in the case of any benefit described in this Paragraph 2 that is subject to tax because it is not or cannot be paid or provided under any such policy, plan, program or arrangement of the Company or any Subsidiary, an additional amount such that after payment by the Executive, or Executive’s dependents or beneficiaries, as the case may be, of all taxes so imposed, the recipient retains an amount equal to such taxes. Such tax payment will be made to the Executive by the Company no later than December 31st of the year in which the Executive remits such tax payments to the appropriate taxing authorities.
- (ii) the Company will pay to the Executive, in a lump sum within the time period described in Section 4(a), an amount equal to the difference between (1) the present value of the continuation of such benefits for 18 months and



(2) the present value of the benefits the Executive will receive under Paragraph 2(A) (i).

(B) Notwithstanding the foregoing, or any other provision of the Agreement, for purposes of determining the period of continuation coverage to which the Executive or any of Executive's dependents is entitled pursuant to Section 4980B of the Code under the Company's medical, dental and other group health plans, or successor plans, the Executive's "qualifying event" will be the termination of the Continuation Period and the Executive will be considered to have remained actively employed on a full-time basis through that date, provided, however, that (1) with respect to health benefits the continuation period will in all events terminate on the 18-month anniversary of the termination date as so determined and (2) the Company will pay, or reimburse the Executive for, all COBRA continuation costs during such period.\

(C) For purposes of the immediately preceding sentence and for purposes of calculating service or age to determine the Executive's eligibility for welfare benefits, including benefits under any retiree medical benefits or life insurance plan or policy, the Executive will be considered to have remained actively employed on a full-time basis through the termination of the Continuation Period.

(D) For any Welfare Benefits that the Executive was receiving or entitled to receive immediately prior to the Termination Date (or, if greater, immediately prior to the reduction, termination, or denial described in Section 1(1)(5)) that are not considered to be "reimbursement arrangements" covered under Section 1.409A-1(b)(9)(iv)(A) of the Code, the Company shall pay to the Executive, within the time period described in Section 4(a), in a lump sum, an amount equal to the present value of the continuation of such benefits for 18 months following the Termination Date.

(E) Welfare Benefits otherwise receivable by the Executive pursuant to this Paragraph 2 will be reduced to the extent comparable Welfare Benefits are actually received by the Executive from another employer during the Continuation Period following the Executive's Termination Date, and any such Welfare Benefits actually received by the Executive will be reported by the Executive to the Company.

(3) The Non-Competition Period contemplated by Section 8(a) will be 12 months from the Termination Date.

## CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement (this “Agreement”), effective as of February 8, 2020, 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”).

### 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.

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 89 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 is (i) 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.

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.

(a) 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.

(b) 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).

**[Remainder of page intentionally left blank]**



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

**Executive:** **Joshua H. Feinberg**

Signature: /s/ Joshua H. Feinberg

Date: February 11, 2021

**Company:** **ABM Industries Incorporated**

Signature: /s/ Andrew Block

Name, Title: Andrew Block, EVP and CHRO

Date: February 11, 2021

## Annex A

**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.

**AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT**

This is a written Amendment to the Executive Employment Agreement (“Amendment”) dated November 1, 2017 between Scott Giacobbe (“Executive”) and ABM Industries Incorporated (“Company” or “ABM”), as permitted by and pursuant to Section 10.9.b of the Executive Employment Agreement. All provisions set forth in the Executive Employment Agreement remain the same except as amended in writing herein pursuant to Section 10.9.b.

1. Executive’s employment with the Company shall terminate on January 15, 2021, provided that Executive accepts the terms and conditions expressly set forth herein by signing and returning this Amendment to the Company by the close of business on the seventh (7th) calendar day following receipt. Should Executive fail to accept the terms and conditions of this Amendment by the deadline identified in the previous sentence, the offer terms are immediately withdrawn, and Executive’s employment with the Company shall end on November 15, 2020.
2. If Executive accepts the terms and conditions of this Amendment, then during the period from November 1, 2020 to January 15, 2021 (the “Transition Period”), the Company and Executive agree that Executive’s duties, functions, and responsibilities will consist of assisting the Company with the orderly transition of Executive’s responsibilities as well as special projects assigned to Executive by the Company on an as-needed basis (the “Transition Services”). During the Transition Period, Executive will continue to report to the Company’s Chief Executive Officer, and Executive’s job title will be Senior Advisor. Executive’s principal location of work shall remain the same, although Executive generally will be able to perform the Transition Services remotely from his home.
3. Executive’s compensation during the Transition Period will remain the same as it was prior to the Transition Period.
4. In consideration for the Company’s promises set forth in this Amendment, including but not limited to the continued employment and resulting compensation and vesting of equity incentive awards granted to him under the Company’s equity plan, from November 16, 2020 through the end of the Transition Period, to which Executive would not otherwise be entitled, Executive agrees to extend the period of Non-Solicitation of Employees set forth in Section 5.3 and the period of Non-Solicitation of Customers set forth in Section 5.4 of his Executive Employment Agreement from twelve (12) months to twenty-four (24) months following the termination of Executive’s employment with the Company. Specifically, Executive agrees herein, in return for the additional consideration being provided to him, as follows:
  - 4.1 **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 **twenty-four (24)** 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.

- 4.2 **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 **twenty-four (24)** 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. In addition, Executive agrees to amend his Executive Employment Agreement by acknowledging and agreeing that if Executive breaches his non-solicitation obligations set forth in Sections 5.3 (as to employees) and/or 5.4 (as to customers) of his Executive Employment Agreement as amended herein, the Company's obligation to make any further payments under the Executive Employment Agreement shall immediately cease, and the Company will have no further obligations under the Executive Employment Agreement, as amended herein. If a court of competent jurisdiction determines there was no such breach, the Company shall pay Executive any unpaid amounts in a lump sum within 30 days of such determination.

5. By Executive's signature below, Executive, in accordance with Section 10.9.b of his Executive Employment Agreement, consents to this Amendment and acknowledges and agrees that the Amendment to which he agrees herein, in return for consideration recited herein, does not constitute "Good Reason" for termination by Executive as defined in Section 7.2 of the Executive Employment Agreement.

**Executive:** Scott Giacobbe

Signature: /s/ Scott Giacobbe

Date: 11/2/2020

**Company:** ABM Industries Incorporated

Signature: /s/ Scott Salmirs

Title: President and CEO

Date: 11/2/2020

## EXECUTIVE EMPLOYMENT AGREEMENT

**THIS EXECUTIVE EMPLOYMENT AGREEMENT** (“Agreement”) is effective November 1, 2020 (“Effective Date”) between Earl R. Ellis (“Executive”) and ABM Industries Incorporated, a Delaware corporation (“Company” or “ABM”).

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”), in an amount to be determined by the Board of Directors or the Committee in its sole discretion. The target amount for Executive’s Cash Bonus shall initially be one-hundred and twenty-five percent (125%) 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, IDE, 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 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 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: Company: Address on File

Copy: ABM Industries Incorporated  
One 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).

- 10.9a 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.
- 10.9b AMENDMENTS. This Agreement may not be amended except in a writing signed by the Executive and an authorized representative of the Company.

**[Remainder of page intentionally left blank]**

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

**Executive:** Earl Ellis

Signature: /s/ Earl R. Ellis

Date: October 14, 2020

**Company:** ABM Industries Incorporated

Signature: /s/ Scott Salmirs

Title: Chief Executive Officer

Date: October 29, 2020

## 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.

## CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement (this “Agreement”), effective as of November 30, 2020 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”).

### 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.

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 compensations 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 19 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 11.5 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

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.

(a) 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.

(b) 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).

**[Remainder of page intentionally left blank]**

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

**Executive:** Earl R. Ellis

Signature: /s/ Earl R. Ellis

Date: October 14, 2020

**Company:** ABM Industries Incorporated

Signature: /s/ Scott Salmirs

Title: Chief Executive Officer

Date: October 29, 2020

## Annex A

## 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.

## Release Agreement

This Release Agreement (this “Release Agreement”) between ABM Industries Incorporated (“Company” or “ABM”) and you sets forth the terms of certain waivers and releases by you in order to receive certain ongoing separation payments and benefits, as set forth in detail below. By signing this Release Agreement, you and the Company agree as follows:

### 1. **Entitlement to benefits**

Your employment with the Company ended on January 15, 2021 (“Separation Date”) and, pursuant to the terms of the Employment Agreement, dated November 1, 2017, and amended as of November 2, 2020, by and between you and ABM (as amended, the “Employment Agreement”), you will only be entitled to ongoing severance payments and benefits thereunder if you sign and do not revoke this Release Agreement.

### 2. **Benefits**

In consideration for you signing and not revoking this Release Agreement and your continuing compliance with all of your continuing obligations under the Employment Agreement, and those set forth in this Release Agreement, you will receive the following additional payments and benefits (“Benefits”), subject to the conditions set forth below, 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 \$2,200,000 in Benefits, less withholdings. Such payments will be made in equal installments over the 24-month period following the Separation Date (see section 7.2 of Employment Agreement); *provided* that payments will not continue unless you sign and return this Release Agreement within five (5) business days of your receipt of this Agreement.
- b. **FY2021 Bonus.** You will be eligible for a prorated portion equivalent to three-twelfths of the fiscal year 2021 bonus, if and to the extent determined by the Compensation Committee based on the Company’s actual performance for the entire fiscal year. The prorated fiscal year 2021 bonus shall be paid at such time as bonuses for fiscal year 2021 are paid to employees generally, but in no event later than March 15, 2022.
- c. **Performance Shares.** Pursuant to the termination provisions of the applicable equity award documents, your ABM Performance Share awards remained outstanding following your Separation Date, with the restriction on such shares to lapse at the end of the performance period and such awards to vest pro-rata, if applicable, as specified in, and subject to the terms of, such awards including as set forth in the Statement of Terms and Conditions to such awards.

You acknowledge (a) receipt of all compensation and benefits due through the date you sign this Release 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.

**3. Section 409 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 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 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 Benefits to be paid in either of two calendar years, depending on when you sign the Release Agreement, then to the extent required to avoid being subject to Section 409A, any such 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, 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 Release 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.** By signing this Release Agreement, you reaffirm that you will continue to abide by the restrictive covenants set forth in your Employment Agreement, which expressly survive the termination of your employment.

**5. Trade Secrets.** 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.

**6. Waiver and Release**

In exchange for the Benefits the Company will provide you under this Release Agreement, you release and forever discharge ABM Industries Incorporated, ABM Industry Groups, LLC, GCA

Services Group, Inc., 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 Release 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 Release 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; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967 (ADEA); the Older Worker Benefit Protection Act (OWBPA); the Americans with Disabilities Act; the Family Medical Leave Act; the Employee Retirement Income Security Act of 1974 (ERISA); the Rehabilitation Act; the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act (NLRA); any state, local, and other federal employment laws, and any amendments to any of the foregoing; (b) claims related to status (perceived or actual) as a whistleblower; and/or (c) under the common law for breach of contract, wrongful discharge, promissory estoppel, 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 Release Agreement.**

In addition, by signing this Release 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, securities fraud, any violation of a rule or regulation of the Securities and Exchange Commission (the “SEC”), any violation of federal law, or any violation of the Company’s Code of Business Conduct.

The above release does not waive claims (i) for vested rights under ERISA-covered employee benefit plans as applicable on the date you sign this Release Agreement, (ii) that may arise after you sign this Release Agreement, (iii) which cannot be released by private agreement, or (iv) alleging breach of this Release Agreement.

#### **7. Covenant Not To Sue**

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 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.

#### **8. Material Breach**

You agree that in the event of any breach or threatened breach of any provision of this Release Agreement or of the restrictive covenants in your Employment Agreement, the Company will have no further obligation to pay or provide any unpaid 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 Release 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 Release Agreement will remain in full force and effect.

#### **9. Re-Employment**

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

#### **10. Notice and Revocation Periods**

This Release 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 Release Agreement, sign in the space below where your agreement is indicated. The payments and benefits specified in this Release Agreement are contingent on your signing and not revoking this Release Agreement. You will have five (5) business days from the date you receive this Release Agreement to consider this Release Agreement. If you choose to sign the Release Agreement before the end of that five business day period, you certify that you did so voluntarily for your own benefit and waived the right to consider this Release Agreement for the entire five business day period. You agree that changes to this Release Agreement, whether material or immaterial, do not restart the running of the five business day period for you to consider the Release Agreement. After you have signed this Release Agreement, you may revoke your consent to it by delivering written notice signed by you to Andrea Newborn, Executive Vice President, General Counsel and Corporate Secretary, One Liberty Plaza, 7<sup>th</sup> Floor, New York, New York 10006, andrea.newborn@abm.com, on or before the seventh calendar day after you sign it. If you do not revoke this Release Agreement within seven calendar days after you sign it, it will be final, binding, and irrevocable ("Effective Date").

Even if you revoke this Release Agreement, Section 1 hereof will remain in effect.

#### **11. Return of Property**

You affirm that you have returned on or before the Separation Date 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.

#### **12. Positions Held As ABM Representative**

If during employment you held any membership or position as a representative of ABM Industries Incorporated, ABM Industry Groups, LLC, GCA Services Group, Inc., or any of their respective affiliated companies for any outside organization (such as BOMA, IR EM, IFMA or BSCIA), or as a trustee for a union trust fund (such as a Taft-Hartley or similar fund), you hereby represent that you have resigned from such membership or position, or trustee position as of the Separation Date, and you agree to cooperate fully with ABM in any process whereby ABM designates a new representative to replace the position vacated by you.

#### **13. Nature of Agreement**

By signing this Release Agreement, you acknowledge that you are doing so freely, knowingly and voluntarily. You acknowledge that in signing this Release Agreement you have relied only on the promises written in this Release Agreement, and not on any other promise made by the Company or the Released Parties. This Release 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 Release Agreement contains the entire agreement between the Company (including the Released Parties) 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 and any Mutual Arbitration Agreement between you and the Company (or any of the Released Parties) remains in full force and effect. The Benefits are in full satisfaction of any severance benefits under any Employment Agreement or any Company severance policy or any other Company plan, policy, or agreement. This Release 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 Release Agreement will be interpreted and enforced in accordance with the laws of the state in which you reside. The headings in this document are for reference only, and shall not in any way affect the meaning or interpretation of this Release Agreement. Nothing in this Release Agreement shall be binding on the parties to the extent it is void or unenforceable. The provisions of this Release Agreement are severable. If any provision of this Release Agreement is ruled unenforceable or invalid, such ruling shall not affect the enforceability or validity of other provisions of this Release Agreement.



/s/ Andrea Newborn    5/27/2021

On behalf of the Company,  
Andrea Newborn    Date  
Executive Vice President, General Counsel,  
Corporate Secretary and Interim Chief Human Resources  
Officer

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

/s/ Scott Giacobbe    5/27/2021

Scott Giacobbe    Date

**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 Quarterly Report on Form 10-Q 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.

June 9, 2021

/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, Earl R. Ellis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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.

June 9, 2021

/s/ Earl R. Ellis  
Earl R. Ellis  
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 Quarterly Report of ABM Industries Incorporated (the "Company") for the quarter ended April 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Scott Salmirs, Chief Executive Officer of the Company, and Earl R. Ellis, 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.

June 9, 2021

/s/ Scott Salmirs  
Scott Salmirs  
Chief Executive Officer  
(Principal Executive Officer)

June 9, 2021

/s/ Earl R. Ellis  
Earl R. Ellis  
Chief Financial Officer  
(Principal Financial Officer)