## ABM 401(k) Employee Savings Plan 2016 Annual Notice of Safe Harbor Plan

# November 1, 2015

To: All Employees Eligible for the ABM 401(k) Employee Savings Plan

ABM Industries Incorporated ("ABM") has established a defined contribution plan for its and certain of its subsidiaries eligible employees known as the ABM 401(k) Employee Savings Plan (the "Plan"). The Plan continues to adopt a "safe harbor" matching contribution formula to automatically satisfy the 401(k) and 401(m) nondiscrimination tests required by the Internal Revenue Code. This Notice describes the safe harbor matching contribution formula and certain related Plan rules.

# Eligibility

In general, to be eligible for the Plan you must be on the U.S. Payroll of ABM and its participating subsidiaries:

- Have completed 1,000 or more hours of service during 12 months of service as measured from your hire date at ABM or a participating subsidiary or any subsequent Plan Year (1/1 12/31) ("Year of Service");
- Be a nonunion employee unless the collectively bargaining agreement provides for your participation under the Plan;
- Not be eligible to participate in the ABM 401(k) Employee Savings Plan II;
- Not be classified on the payroll as a temporary or seasonal employee;
- Not be a non-resident alien who receives no U.S. income;
- Not be a leased employee;
- Not a director who is employed by the Company in any other capacity; and
- Not be a resident of Puerto Rico.

## **Hours of Service**

You will be credited with 190 hours of service for each month in which you worked at least 1 hour of service with ABM or its subsidiaries. If, however, you are paid on an hourly basis and you are an employee for whom records of hours are maintained, hours of service shall be based on actual hours.

## Participation

You can participate in the Plan on the first day of the month coincident with or following your completion of a Year of Service. Prior to your eligibility date, you will receive a notice and an enrollment kit from Bank of America Merrill Lynch informing you that as of a certain date you will be eligible to participate in the Plan. To enroll and begin pre-tax payroll deductions under the Plan, visit the Benefits OnLine® website at www.benefits.ml.com, or call the Retirement & Benefits Contact Center at 1-888-221-9867. As a participant, you will have access to your account online and by phone 24 hours a day. A Merrill Lynch Participant Service Representative is available to speak with you Monday through Friday 8:00 AM to 7:00 PM Eastern Time on all business days that the New York Stock Exchange is open.

If you have been notified that you are covered under a different plan, or have doubts that you are covered under this Plan, please contact the ABM Benefits Service Center at 1-888-351-4003 for clarification.

## Amount of Deferrals into the Plan

You may elect to defer a whole percentage of your Pay from 1% to 50% (including Annual Bonuses of up to \$999) on a federal pretax basis up to the annual IRS limit of \$18,000 for 2016. If you receive an Annual Bonus of more than \$999, the same percentage you elect to defer with respect to your other Pay will apply to such Annual Bonus, unless you file an election to have no amount of such Annual Bonus deferred to the Plan. If you are or will be age 50 or older during the calendar year in which you make deferrals, and defer the annual maximum amount allowed under federal regulations, you can make an additional "Catch-up" deferral. The additional Catch-up maximum amount is \$6,000. This means if you are or will be age 50 or older a total of \$24,000.

# Pay

"Pay" generally means all amounts you are paid including salary reduction contributions you make to this Plan or a ABM sponsored cafeteria or qualified transportation fringe benefit plan) for the work you perform for ABM or its subsidiaries. Pay under the Plan is limited to the applicable dollar limit in effect for the Plan Year. Pay excludes reimbursements, expense allowances, fringe benefits, employer paid or reimbursed moving expenses, deferred compensation, welfare plan benefits, differential wages and the value of restricted stock, a qualified or a non-qualified stock option, or performance shares granted to you by ABM Industries Incorporated to the extent such value is includable in your taxable income. For 2016, the limit is \$265,000. If you enter the Plan on a day other than the first day of the Plan Year, your Pay will only include amounts paid to you from the date that you entered the Plan.

Amounts received within the later of 2-1/2 months after your severance from employment or the end of the Plan Year that includes your date of severance will be included in Pay if the payments, absent a severance from employment, would have been paid to you while you continued employment and are regular compensation for services during your regular working hours (such as overtime or shift differential, commissions, bonuses or vacation).

# Safe Harbor Company Match

ABM will match on a payroll basis with respect to your deferrals and catch-up contributions, 100% of the first 3% of Pay you defer and 50% of the next 2% of Pay you defer.

For example, if you defer:

- 5% or more of your Pay, ABM will contribute an amount equal to 4% of your Pay.
- 4% of your Pay, ABM will contribute an amount equal to 3.5% of your Pay.
- 3% of your Pay, ABM will contribute an amount equal to 3% of your Pay.
- 2% of your Pay, ABM will contribute an amount equal to 2% of your Pay.
- 1% of your Pay, ABM will contribute an amount equal to 1% of your Pay.

You will be 100 % vested at all times in the safe harbor matching contributions.

ABM retains the right to reduce or suspend the safe harbor matching contribution under the Plan. If ABM chooses to do so, you will receive a supplemental notice explaining the reduction or suspension of the safe harbor matching contribution at least 30 days before the change is effective. ABM will contribute any safe harbor matching contribution you have earned up to that point. At this time, ABM has no such intention to suspend or reduce the safe harbor matching contribution.

## **True-Up Matching Contributions**

If necessary, ABM will contribute additional contributions to you in an amount necessary so that the total amount of your True-Up Matching Contributions and Safe Harbor Matching Contributions for the Plan Year equals 100% of the first 3% of Pay and 50% of the next 2% of Pay for that period of the Plan Year during which you were eligible to participate in the Plan.

## **Other Contributions**

Prior to being eligible to participate in the Plan, you may make a rollover contribution under the Plan. Please contact the ABM Benefits Service Center at 1-888-351-4003 if you have any additional questions.

## Vesting

All contributions under the Plan are fully vested and non-forfeitable.

## Withdrawal Provisions

Withdrawals may be made under the Plan under the following circumstances:

Pre-tax deferrals: attainment of age 59<sup>1</sup>/<sub>2</sub>; financial hardship; death; disability; termination of employment; separation from service upon normal retirement age (attainment of age 62); and Plan termination if no successor plan is established.

Former profit sharing and safe harbor matching contributions: attainment of age 59<sup>1</sup>/<sub>2</sub>; death; disability; termination of employment; separation from service upon normal retirement age (age 62); and Plan termination if no successor plan is established.

Rollover contributions: requests for withdrawals may be made at any time.

## **Additional Information**

The SPD contains additional important information regarding your Plan that is not contained in this Notice. Capitalized words not described in this Notice are explained in the SPD. If you cannot locate a copy of the SPD or you would like additional information regarding your Plan or this notice, you may contact the ABM Benefits Service Center at 1-888-351-4003.

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