

ABM INDUSTRIES INC /DE/

Form 8-K

February 04, 2005

Table of Contents

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

FORM 8-K

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

Date of Report (Date of earliest event reported):

January 31, 2005

ABM Industries Incorporated

(Exact name of registrant as specified in its charter)

Delaware

1-8929

94-1369354

(State or other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

160 Pacific Avenue, Suite 222, San Francisco, California

94111

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

(415) 733-4000

Not Applicable

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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TABLE OF CONTENTS

Item 1.01 Entry Into A Material Definitive Agreement

SIGNATURES

Table of Contents

Item 1.01 Entry Into A Material Definitive Agreement

On January 31, 2005, the Compensation Committee of the Board of Directors (the "Compensation Committee") of ABM Industries Incorporated (the "Company") authorized the payment of annual bonus awards to each of the Company's executive officers (or the independent directors of the Board of Directors of the Company on the recommendation of the Compensation Committee in the case of Henrik C. Slipsager) in respect of the year ended October 31, 2004. The employment agreements of the named executive officers, determined by reference to fiscal year 2004 (the "Named Executive Officers") provide for 2004 bonuses based on pre-tax profits of ABM on a consolidated basis, pre-tax profits of operating subsidiaries employing the executives, or a target percentage of base salary, in each case subject to modification based on individual performance. William T. ("Terry") Petty's 2004 bonus was guaranteed at \$131,250. The bonus awards are set forth in the table below.

Henrik C. Slipsager President & Chief Executive Officer	2004	\$234,549
Jess E. Benton Executive VP	2004	\$76,429
James P. McClure Executive VP of ABM and President of ABM Janitorial Services	2004	\$179,937
William T. ("Terry") Petty Executive VP & Chief Operating Officer	2004	\$131,250
Steven M. Zaccagnini Senior VP of ABM and President of ABM Facility Services	2004	\$108,150

On January 31, 2005, the Board of Directors approved amendments to the employment agreements for James P. McClure and Steven M. Zaccagnini, which established 2005 target bonuses representing a percentage of base compensation in the following amounts: Mr. McClure, 40% of base compensation and Mr. Zaccagnini, 33% of base compensation, in each case subject to performance modifiers of 0 to 150% based upon the financial performance of operating subsidiaries of ABM employing such executive and individual performance during the year. The employment agreements of Henrik C. Slipsager and William T. ("Terry") Petty, which call for 2005 target bonuses of 50% of base compensation, subject to performance modifiers of 0 to 150%, remain unchanged.

Effective January 31, 2005, Jess E. Benton retired as an officer and employee of the Company. The Company has entered into a one-year consulting agreement with Mr. Benton effective February 1, 2005, under which the Company will pay Mr. Benton \$8,333 per month.

On February 4, 2005, the Compensation Committee approved an increase to the annual base salary (effective as of November 1, 2004) of Mr. Zaccagnini from \$309,000 to \$319,815.

Table of Contents

Base salaries of the Company's other Named Executive Officers did not change.

Additional information regarding the compensation arrangements of the Named Executive Officers, as well as information with respect to information considered by the Compensation Committee in making salary and bonus determinations or recommendations for 2004 and 2005 will be included in the proxy statement for the Company's 2005 Annual Meeting of Stockholders, which is expected to be filed with the Securities and Exchange Commission no later than February 7, 2005.

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 hereunto duly authorized.

ABM INDUSTRIES INCORPORATED

Dated: February 4, 2005

By: /s/ Linda S. Auwers
Linda S. Auwers
Senior Vice President and General
Counsel