

**CHARTER  
OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF SERVICEMASTER GLOBAL HOLDINGS, INC.**

Adopted by the Board of Directors on July 24, 2007;  
and as last amended July 25, 2017.

Pursuant to duly adopted Third Amended and Restated By-Laws (as amended from time to time, the “By-Laws”), the Board of Directors (the “Board”) of ServiceMaster Global Holdings, Inc. (the “Company”) has determined that the Audit Committee of the Board shall assist the Board in fulfilling certain of the Board’s oversight responsibilities. The Board hereby adopts this Audit Committee Charter (this “Charter”), to establish the governing principles of the Audit Committee (the “Committee”).

**PURPOSE**

The primary purposes of the Committee are to assist the Board in overseeing:

- a) the accounting, financial, and external reporting policies and practices of the Company;
- b) the quality and integrity of the Company’s financial statements;
- c) the independence, qualifications and performance of the independent auditor;
- d) the performance of the Company’s internal audit function;
- e) the Company’s system of disclosure controls and procedures;
- f) the Company’s compliance with legal and regulatory requirements and its standards of business conduct and ethics; and
- g) the preparation of the report of the Committee required to be included in the Company’s annual proxy statement under the rules of the Securities and Exchange Commission (the “SEC”).

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate, or are in accordance with generally accepted accounting principles (“GAAP”). The primary responsibility to plan and conduct audits is that of the Company’s independent auditor and internal audit function. The Committee members are not acting as professional accountants or auditors, and their functions are not intended to duplicate or substitute for the activities of management and the independent auditor. Each member of the Committee shall be entitled to rely, to the maximum extent permitted under applicable law, on (a) the integrity of those persons and organizations within and outside the Company from which the Committee receives information and (b) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board).

## **AUTHORITY AND RESOURCES**

The Committee may, without further approval by the Board, obtain such advice and assistance from outside accounting, legal or other advisors as the Committee determines to be necessary or advisable in connection with the discharge of its duties and responsibilities hereunder.

The Company shall pay to any independent auditor employed by the Company for the purpose of rendering or issuing an audit report or performing other audit, review or attest services and to any outside accounting, legal or other advisor retained by the Committee pursuant to the preceding paragraph such compensation, including, without limitation, usual and customary expenses and charges, as shall be determined by the Committee. The Company shall pay ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties, as shall be determined by the Committee. Any accounting, legal or other advisor retained by the Committee may, but need not be, in the case of an outside accountant, the same accounting firm employed by the Company for the purpose of rendering or issuing an audit report on the Company's annual financial statements, or in the case of an outside legal or other advisor, otherwise engaged by the Company for any other purpose. In fulfilling its responsibilities, the Committee will have full access to all of the Company's books, records, facilities and personnel and to the services of the independent auditor.

## **MEMBERSHIP**

The Committee shall consist of at least three directors, unless otherwise determined by the Board. Each member of the Committee shall satisfy the independence requirements relating to directors and audit committee members (a) of the New York Stock Exchange (the "NYSE") and (b) under section 10A(m) of the Securities Exchange Act of 1934 (the "Exchange Act") and any related rules and regulations promulgated thereunder by the SEC, in each case, subject to any applicable transition rules or exemptions. Committee members shall be appointed, and may be removed, by the Board in accordance with the By-Laws of the Company. Members of the Committee shall serve at the pleasure of the Board and for such term or terms as the Board may determine. The Committee shall have the authority to establish subcommittees and to delegate any of its responsibilities to such subcommittees as the Committee may deem appropriate, provided the subcommittees are composed entirely of directors satisfying the below independence standards.

Each member of the Committee shall be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after appointment to the Committee. At least one member of the Committee shall qualify as an "audit committee financial expert," as such qualification is interpreted by the Board in its business judgment. Members of the Committee are encouraged to periodically attend continuing education programs that include topics relevant to audit committees in order to better understand their responsibilities and duties. No director may serve on the Committee if such director simultaneously serves on the audit committee of more than three public companies

(including the Company), unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee. No person may be made a member of the Committee if his or her service on the Committee would violate any restriction on service imposed by any rule or regulation of the SEC or the NYSE. Unless a Chair of the Committee is elected by the Board, the Committee may designate its Chair by majority vote of the Committee.

## **RESPONSIBILITIES**

The Committee's duties and responsibilities shall include the matters enumerated below, as well as such other matters as may be delegated to the Committee by the Board from time to time:

### **Financial Reporting and Disclosure Responsibilities**

- a) The Committee will review and discuss with management and the independent auditor the scope, planning and staffing of the annual audit.
- b) Review and discuss with management and the independent auditor:
  - i. any significant changes to the Company's existing policies or practices, including those suggested by the independent auditor, internal audit personnel or management, as they apply to accounting, financial reporting, external reporting, and/or asset-safeguarding;
  - ii. quarterly reports from the independent auditor on all critical accounting policies and practices to be used;
  - iii. analyses prepared by management or the independent auditor setting forth significant financial reporting issues and analyses of the effects of alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences;
  - iv. judgments made by management in connection with the preparation of the Company's financial statements and significant issues regarding accounting and auditing principles and practices and financial statement presentations, including all critical accounting policies and estimates, any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal control over financial reporting and any special steps adopted in light of material control deficiencies;
  - v. management's internal control over financial reporting report prepared in accordance with rules promulgated by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act and the independent auditor's reports related thereto; and

- vi. the effect of legislative, regulatory and accounting initiatives as well as off-balance sheet structures (if any) on the Company's financial statements.
- c) Review and discuss with management and the independent auditor the Company's earnings releases, as well as any written financial information and earnings guidance provided to analysts and ratings agencies, including any pro forma or non-GAAP disclosures in the materials and releases. It is not expected that the Committee will pre-approve each such release or guidance.
- d) Review and discuss with management and the independent auditor the quarterly, unaudited financial statements, including disclosures made in "Management's Discussion and Analysis," major underlying issues, the results of the independent auditor's review and the required communications prior to filing each Form 10-Q.
- e) Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in "Management's Discussion and Analysis," major underlying issues and the required communications, and recommend to the Board that such audited financial statements be included with the Company's Annual Report on Form 10-K.
- f) In the event that the Company publishes one, review the "Report of Management" in the Annual Report to Shareholders.
- g) Prepare, review and approve the "Report of Audit Committee" and its inclusion in any document, including in the Annual Report to Shareholders and in the annual Proxy Statement.
- h) Receive information from management about any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting that could adversely affect the Company's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

### **Responsibilities for Oversight of Independent Auditor**

- a) Possess sole and direct responsibility for the appointment, retention, termination, compensation, evaluation and oversight of the work of any registered public accounting firm engaged by the Company for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company. Each such independent auditor shall report directly to the Committee.
- b) The Committee shall have the sole authority to approve any compensation payable by the Company for any approved audit or non-audit services to any such independent auditor, including the fees, terms and conditions for the performance of such services.
- c) Review proposed audit scope for adequacy of coverage.
- d) Review the conduct and results of the audit of the consolidated financial statements and solicit concerns from the independent auditor, including any problems or difficulties encountered in the course of the performance of the audit, including disagreements with management and management's response thereto,

- any restrictions on the scope of the independent auditor's activities or access to requested information and any accounting adjustments noted or proposed by the independent auditor that were determined by management to be immaterial or were otherwise not reflected in the Company's audited financial statements. Oversee the resolution of any disagreements between management and the independent auditor.
- e) Review the independent auditor's letter reporting the status of internal control over financial reporting and other matters the independent auditor considers appropriate. Obtain management's response and corrective action plan, as appropriate.
  - f) Obtain and review a report from the independent auditor at least annually detailing: (i) the independent auditor's internal quality-control procedures, (ii) any material issues raised by the independent auditor's most recent internal quality-control review, peer review or Public Company Accounting Oversight Board (the "PCAOB") review, of the independent auditor, or any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issues; and (iii) any publically available reports issued within the past five years by the PCAOB or other governmental or professional authorities concerning the independent auditor and (vi) to assess the auditor's independence, all relationships between the independent auditor and the Company consistent with the applicable requirements of the PCAOB.
  - g) Review the foregoing report and the independent auditor's work throughout the year and evaluate the independent auditor's qualifications, performance and independence, including a review and evaluation of the lead partner of the independent audit team, and ensure proper rotation of audit partner, lead partner and concurring partner. Present its conclusions to the Board and, if so determined by the Committee, recommend that the Board take additional action to satisfy itself of the qualifications, performance and independence of the independent auditor. Consider whether it is appropriate to adopt a policy of rotating the independent auditing firm.
  - h) Actively engage in a dialogue with the independent auditor regarding any disclosed relationships or services that may impact the objectivity and independence of the independent auditor. Review and discuss with the independent auditor the matters to be included in the written disclosures required by professional independence standards applicable to the independent auditor, including reviewing and discussing any relationship between the independent auditor and the Company or any other relationships or services that may impact the objectivity and independence of the independent auditor. Consider whether the independent auditor's performance of permissible non-audit services is compatible with the independent accountant's independence, and, in the case of tax-related services, consider the information provided by the independent auditor pursuant to the rules of the PCAOB. Present to the Board the Committee's conclusions and recommendations with respect to the independence of the independent auditor at least annually.

- i) Pre-approve all audit services and, subject to the de minimis exception provided by Section 10A(i) of the Exchange Act and the SEC rules promulgated thereunder, all permitted non-audit services as required by any regulatory agency or the NYSE; provided, however, that the Committee may delegate pre-approval authority to one or more of its independent members, who must then provide a report to the Committee at its next scheduled meeting for ratification. When pre-approving non-audit services by the independent auditor, the Committee shall consider whether their provision is consistent with maintaining the independent auditor's independence.
- j) Review periodic reports from management and the independent auditor regarding the auditor's independence (including the independent auditor's fees billed for audit services, audit-related fees, tax fees, and all other non-audit services, respectively, for each fiscal year), discuss such reports with the auditor, and if so determined by the Committee, take appropriate action regarding the independence of the auditor.
- k) As appropriate, discuss with the independent auditor any communications between the independent auditor and the independent auditor's national office respecting auditing or accounting issues presented by the engagement.
- l) Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints that raise material issues regarding the Company's financial statements or accounting policies.
- m) Establish, and periodically review, policies for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company's financial statements.
- n) Review and discuss with the CEO and CFO the procedures undertaken in connection with the CEO and CFO certifications in periodic reports, including their evaluation of the Company's disclosure controls and procedures and internal control over financial reporting. Review the Sarbanes-Oxley Sections 302 and 906 certifications provided by management in the Company's SEC periodic reports.
- o) Annually, obtain assurance from the independent auditor that the audit was conducted in a manner consistent with Section 10A of the Exchange Act.
- p) At least annually, discuss with the independent auditor, out of the presence of management if deemed appropriate, the matters required to be communicated to audit committees in accordance with the auditing standards of the PCAOB, as they may be modified or supplemented, relating to the conduct of the audit, including under Auditing Standard No. 16.

### **Responsibilities for Oversight of the Internal Audit Function**

- a) Review and discuss with management and the independent auditor the internal audit department responsibilities, budget and staffing.
- b) Review and discuss the quarterly internal audit reports and findings to management and management's response at each meeting, including any internal audit problems, difficulties or disagreements with management and

- management's response thereto and any restrictions on the scope of the internal audit department's activities or access to information.
- c) Periodically review internal audit policies and the internal audit charter.
  - d) The internal auditors shall report directly to the Committee with administrative oversight by the Company's Chief Financial Officer.

### **Committee Self-evaluation Responsibilities**

- a) Review annually the adequacy of this Charter and submit any changes to the Board for approval.
- b) Annually evaluate and review with the Board the Committee's own performance. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate.

### **Compliance Matters and Other Responsibilities**

- a) Review and discuss with management the Company's guidelines and policies with respect to the process by which the Company undertakes risk assessment and risk management, including discussion of the Company's major financial risk exposure and the steps taken by management to monitor and control such exposures.
- b) Conduct any investigation that the Committee deems appropriate, with full access to all of the Company's records, facilities, personnel and outside advisors.
- c) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters pursuant to SEC Rule 10A-3.
- d) Inquire of the independent auditor whether any officer or director of the Company, or any person acting under their direction, has sought to fraudulently influence, coerce, manipulate or mislead the independent auditor for purposes of rendering the Company's financial statements materially misleading.
- e) Receive and take appropriate action on reports of potential violations of policy or law from the Chief Executive Officer, General Counsel or Vice President, Chief Ethics and Business Conduct Officer on matters that, in any one of their discretion, warrant Committee attention.
- f) Report regularly to the Board on all matters charged to the responsibility of the Committee, including any issues of which it becomes aware with respect to the quality or integrity of the Company's financial statements, compliance with legal and regulatory requirements, performance of the Company's internal audit function and the qualifications, independence and performance of the independent auditor. The report to the Board may be in writing, by submission of Committee minutes and consents or take the form of an oral

- report by the Chair of the Committee or any other member of the Committee designated by the Committee to make this report.
- g) Meet in separate executive sessions with the Chief Executive Officer and other officers of the Company, the internal auditors and the independent auditor periodically as needed.
  - h) Regularly review reports of the General Counsel on litigation, any legal matters that may have a material impact on the financial statements or the compliance policies of the Company and its subsidiaries, any material reports or inquiries received by the Company or its subsidiaries from regulators or governmental agencies, and other matters.
  - i) Review at least annually the status of the Company's, or any of its subsidiaries', Code of Conduct program including compliance with the Company's, or any of its subsidiaries', code of ethics and any significant occurrence (or series of occurrences) of non-compliance and results of the Company's conflict of interest survey.
  - j) Review and approve any waivers of the Company's Code of Conduct as such apply to directors and executive officers of the Company.
  - k) Review and approve on an ongoing basis any related party transactions for potential conflict of interest situations in accordance with the Company's Related Person Transaction Policy. Pursuant to the Related Person Transaction Policy, the Committee Chair has authority to act between Committee meetings. Discuss with the independent auditor their evaluation of the company's identification of, accounting for, and disclosure of its relationships with related parties as set forth under the standards of the PCAOB.

## **PROCEDURES**

The Committee shall meet at least once every fiscal quarter, either in person or via teleconference, at such times and places as shall be determined by the Committee Chair, and may have such additional meetings as the Committee Chair or a majority of the Committee's members deem necessary or desirable.

The Committee shall meet in separate sessions, at least once every fiscal quarter, with (a) members of management, (b) the Company's internal auditors (or other personnel responsible for the Company's internal audit function) and (c) the independent auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate.

The meetings and other actions of the Committee shall be governed by the provisions of Article III of the By-Laws applicable to meetings and actions of the committees of the Board. Meetings of the Committee may be called by the Chairman of the Board or any member of the Committee. The Chair of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter. Committee members shall be given notice of a meeting in accordance with Section 2.06 of the By-Laws at least 24 hours in advance personally, by telephone, facsimile or

electronic transmission (as defined in Section 8.08 of the By-Laws). Any such notice need not be given to any Committee member who attends such meeting without protesting the lack of notice to him or her, prior to or at the commencement of such meeting, or to any member who submits a signed waiver of notice, whether before or after such meeting. In the event the number of Committee members voting in favor of a proposal and the number of Committee members voting against such proposal are equal, the proposal shall be submitted to a vote of the Board, subject to applicable law.

The Committee may request (a) any officer or employee of the Company, (b) the Company's outside counsel or (c) the Company's independent auditor to attend any meeting (or portions thereof) of the Committee, or to meet with any members of or consultants to the Committee, and to provide such information as the Committee deems necessary or desirable.

The Committee may adopt rules of governance, not inconsistent with this Audit Committee Charter, to assist the Committee in the discharge of its responsibilities.

### **MISCELLANEOUS**

Members of the Committee may receive their Board and Committee fees in cash, shares of the Company, options, restricted share units, deferred share units, or other equity-based consideration as determined by the Board, in addition to all other benefits that other directors of the Company receive.

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. Except as otherwise required by the NYSE rules or applicable law, the purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules, and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. This Charter is intended to be consistent with the Company's Corporate Governance Guidelines. This Charter is, and any amendments thereto will be, displayed on the Company's website and a printed copy will be made available to any shareholder of the Company who requests such.