

CBRE GROUP, INC.
Form DEF 14A
April 04, 2019
Table of Contents

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

CBRE Group, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

Table of Contents

400 South Hope Street, 25th Floor

Los Angeles, California 90071

(213) 613-3333

April 4, 2019

Dear Fellow Stockholder:

On behalf of the Board of Directors and management of CBRE Group, Inc., I cordially invite you to attend our annual meeting of stockholders on Friday, May 17, 2019, at 2121 North Pearl Street, Dallas, Texas at 8:00 a.m. (Central Time). The notice of meeting and proxy statement that follow describe the business that we will consider at the meeting.

We hope that you will be able to attend the meeting. However, regardless of whether you are present in person, your vote is very important. We are pleased to again offer multiple options for voting your shares. You may vote by telephone, via the internet, by mail or in person, as described beginning on page 1 of the proxy statement.

Thank you for your continued support of CBRE Group, Inc.

Sincerely yours,

Robert E. Sulentic

President and Chief Executive Officer

Table of Contents

Notice of 2019 Annual Meeting
of Stockholders

May 17, 2019

8:00 a.m. (Central Time)

2121 North Pearl Street, Dallas, Texas

AGENDA:

1. Elect the 11 Board-nominated directors named in the Proxy Statement;
 2. Ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
 3. Conduct an advisory vote on named executive officer compensation for the fiscal year ended December 31, 2018;
 4. Approve the 2019 Equity Incentive Plan;
 5. If properly presented, consider a stockholder proposal regarding revisions to the company's proxy access by-law;
 6. If properly presented, consider a stockholder proposal requesting that the Board of Directors prepare a report on the impact of mandatory arbitration policies; and
 7. Transact any other business properly introduced at the Annual Meeting.
- Only stockholders of record as of March 19, 2019 will be entitled to attend and vote at the Annual Meeting and any adjournments or postponements thereof.

We hope that you can attend the Annual Meeting in person. Regardless of whether you will attend in person, please complete and return your proxy so that your shares can be voted at the Annual Meeting in accordance with your instructions. Any stockholder attending the Annual Meeting may vote in person even if that stockholder returned a

proxy. You will need to bring a picture ID and proof of ownership of CBRE Group, Inc. stock as of the record date to enter the Annual Meeting. If your common stock is held in the name of your broker, bank or other nominee and you want to vote in person, then you will need to obtain a legal proxy from the institution that holds your common stock indicating that you were the beneficial owner of our common stock on March 19, 2019.

We are pleased to furnish proxy materials to our stockholders on the internet. We believe that this allows us to provide you with the information that you need while lowering the costs of delivery and reducing the environmental impact of the Annual Meeting.

April 4, 2019

By Order of the Board of Directors

Laurence H. Midler

Executive Vice President, General Counsel and Secretary

This Proxy Statement and accompanying proxy card are first being made available on or about April 4, 2019.

References in this Proxy Statement to CBRE, the company, we, us or our refer to CBRE Group, Inc. and include its consolidated subsidiaries, unless otherwise indicated or the context requires otherwise. References to the Board refer to our Board of Directors. A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, including financial statements, is being sent simultaneously with this Proxy Statement to each stockholder who requested paper copies of these materials and will also be available at www.proxyvote.com

Table of Contents

Proxy Summary Information

To assist you in reviewing the proposals to be voted upon at our 2019 Annual Meeting, we have summarized important information contained in this Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018. This summary does not contain all of the information that you should consider, and you should carefully read the entire Proxy Statement and Annual Report on Form 10-K before voting.

Voting

Stockholders of record as of March 19, 2019 may cast their votes in any of the following ways:

Internet	Phone	Mail	In Person
<p>Visit <i>www.proxyvote.com</i>. You will need the 16-digit number included in your proxy card, voter instruction form or notice.</p>	<p>Call 1-800-690-6903 or the number on your voter instruction form. You will need the 16-digit number included in your proxy card, voter instruction form or notice.</p>	<p>Send your completed and signed proxy card or voter instruction form to the address on your proxy card or voter instruction form.</p>	<p>If you plan to attend the meeting, you will need to bring a picture ID and proof of ownership of CBRE Group, Inc. stock as of the record date. If your common stock is held in the name of your broker, bank or other nominee and you want to vote in person, then you will need to obtain a legal proxy from the institution that holds your common stock indicating that you were the beneficial owner of our common stock on March 19, 2019.</p>

Voting Matters and Board Recommendation

Proposal

Board Vote Recommendation

Elect Directors (page 7)

ü FOR each Director Nominee

Ratify the Appointment of Independent Registered Public Accounting Firm for 2019 (page 25)

ü FOR

Advisory Vote to Approve Named Executive Officer Compensation for 2018 (page 28)

ü FOR

Approve the 2019 Equity Incentive Plan (page 67)

ü FOR

If Properly Presented, Consider a Stockholder Proposal Regarding Revisions to the Company's Proxy Access By-law (page 73)

AGAINST

If Properly Presented, Consider a Stockholder Proposal Requesting that the Board of Directors Prepare a Report on the Impact of Mandatory Arbitration Policies (page 75)

AGAINST

Fiscal Year 2018 Business Highlights⁽¹⁾

We are the world's largest commercial real estate services and investment firm, based on 2018 global revenue of \$21.3 billion, with leading global market positions in our leasing, property sales, occupier outsourcing and valuation businesses.

Our service offering is supported by more than 480 offices worldwide with over 90,000 employees, excluding independent affiliates. We serve clients in more than 100 countries.

Our services include:

commercial real estate services operating under the CBRE brand name;

real estate investment management services operating under the CBRE Global Investors brand name; and

development services operating under the Trammell Crow Company brand name.

- (1) For more complete information regarding our fiscal year 2018 performance, please review our Annual Report on Form 10-K for the fiscal year ended December 31, 2018. You can obtain a free copy of our Annual Report on Form 10-K at the SEC's website (www.sec.gov) or by submitting a written request by (i) mail to CBRE Group, Inc., Attention: Investor Relations, 200 Park Avenue, New York, New York 10166, (ii) telephone at (212) 984-6515 or (iii) e-mail at investorrelations@cbre.com.

Table of Contents

PROXY SUMMARY INFORMATION

In fiscal year 2018, we delivered strong results:

Our revenue totaled \$21.3 billion, up 15% from 2017.

Our fee revenue totaled \$10.8 billion, up 15% from 2017.⁽²⁾⁽³⁾

On a GAAP basis, net income for 2018 increased 53% to \$1.1 billion and earnings per diluted share rose 51% to \$3.10 per share.

Our adjusted net income was \$1.1 billion, up 21% from 2017.⁽³⁾

Our adjusted earnings per share (adjusted EPS) was \$3.28, up 20% from 2017.

Our adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) was \$1.9 billion, up 11% from 2017.⁽³⁾

We generated revenue from a highly-diversified base of clients. In 2018, our client roster included over 90 of the *Fortune* 100 companies.

During 2018, we acquired FacilitySource, a provider of technology-based procurement and facilities management solutions. We also acquired a retail leasing and property management firm in Australia, two firms in Israel (our former affiliate and a majority interest in a local facilities management provider), a commercial real estate services provider in San Antonio, a provider of real estate and facilities consulting services to healthcare companies across the United States and the remaining 50% equity interest in our longstanding New England joint venture.

We have been voted the most recognized commercial real estate brand in the *Lipsey Company* survey for 18 consecutive years (including 2019) and we have been rated a World's Most Ethical Company by the *Ethisphere Institute* for six consecutive years (including 2019).

We ended 2018 in a very strong financial position with low leverage, high liquidity and considerable cash flow.

On January 1, 2019, our new organizational structure became effective. Under this new structure, our operations are organized around, and we will publicly report our financial results on, three global business segments: (1) Advisory Services, (2) Global Workplace Solutions and (3) Real Estate Investments. For 2018, we reported our financial results under our business segments as they existed throughout that year.

The following charts highlight our growth in adjusted EBITDA, adjusted net income and adjusted EPS for 2018 relative to 2017:

(2) Fee revenue is gross revenue less both client reimbursed costs largely associated with employees that are dedicated to client facilities and subcontracted vendor work performed for clients.

(3) These are non-GAAP financial measures. For supplemental financial data and a corresponding reconciliation of (i) revenue computed in accordance with GAAP to fee revenue, (ii) net income computed in accordance with GAAP to adjusted net income and to adjusted EPS, and (iii) net income computed in accordance with GAAP to adjusted EBITDA, in each case for the fiscal years ended December 31, 2018 and 2017, see Annex A to this Proxy Statement. We also refer to adjusted net income, adjusted EPS, and adjusted EBITDA from time to time in our public reporting as net income attributable to CBRE Group, Inc., as adjusted, diluted income per share attributable to CBRE Group, Inc. stockholders, as adjusted and EBITDA, as adjusted, respectively. As described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, our Board and management use non-GAAP financial measures to evaluate our performance and manage our operations. However, non-GAAP financial measures should be viewed in addition to, and not as an alternative for, financial results prepared in accordance with GAAP. The term GAAP, as used in this Proxy Statement, means generally accepted accounting principles in the United States.

2 CBRE - 2019 Proxy Statement

Table of Contents

PROXY SUMMARY INFORMATION

Our Corporate Strategy

We operate in an industry that is characterized by enduring trends that support the long-term growth of our business. These include:

Occupiers growing acceptance of the outsourcing of real estate services;

Investors increasing allocation of capital to commercial real estate, and

The continuing consolidation of occupier and investor activity to the highest-quality, globally diversified service providers.

In addition, technological advancements hold significant opportunities for firms that invest prudently in digital capabilities.

We have a clear strategy to capitalize on the inherent opportunities within our sector. Our strategy is focused on delivering consistently superior client outcomes that are difficult for other firms to replicate. This strategy is underpinned by six key elements:

An intense focus on client outcomes. We deeply study the results we produce for clients and then use the insights we gain to improve those results.

Having top talent both client-facing professionals and business line/geographic leaders in every key role.

Maintaining a premier operating platform from research to marketing to human resources to, most especially, data/technology capabilities that helps our professionals to serve clients.

Leveraging our scale as the world's largest commercial real estate services provider and using our collaborative culture to connect our people and capabilities around the world.

Making strategic investments in targeted M&A activity, data and technology, and other initiatives that enhance our capabilities.

Operating efficiently. We prudently manage our expense base to enable re-investment in the business while maintaining strong margins.

Corporate Governance Highlights

Board Independence

Independent director nominees 10 out of 11

Independent Chair of the Board Brandon B. Boze

Director Elections

Frequency of Board elections Annual

Voting standard for uncontested elections Majority Requirement

Director term limits 12 Years⁽⁴⁾

Limit on number of Board-nominated executive officers Maximum 1

Proxy access for director nominations Yes

Evaluating and Improving Board Performance

Board evaluations	Annual
-------------------	--------

Committee evaluations	Annual
-----------------------	--------

Aligning Director and Executive Interests with Stockholder Interests

Director stock ownership requirements	Yes
---------------------------------------	-----

Executive officer stock ownership requirements	Yes
------------------------------------------------	-----

Policy restricting trading, and prohibiting hedging and short-selling of, CBRE stock	Yes
--------------------------------------------------------------------------------------	-----

Compensation clawback policy for executive officers	Yes
-----------------------------------------------------	-----

Ongoing stockholder outreach and engagement	Yes
---------------------------------------------	-----

(4)The application of this term-limit restriction does not go into effect until December 17, 2020 for any of the company’s directors who were serving on the Board as of December 17, 2015. See Corporate Governance Term Limits on page 16.

Table of Contents**PROXY SUMMARY INFORMATION****Summary of Board Nominees**

The following table provides summary information about each of the director nominees who is being voted on by stockholders at the Annual Meeting.

Name	Age	Director		Principal Occupation	Other Public	
		Since			Committees	Company Boards
Brandon B. Boze*	38	2012		Partner of ValueAct Capital	EC	1
Beth F. Cobert*	60	2017		Chief Executive Officer of Skillful	CC, GC	0
Curtis F. Feeny*	61	2006		Managing Director of Silicon Valley Data Capital	AC, GC, EC	0
Reginald H. Gilyard*	55	2018		Senior Advisor to The Boston Consulting Group	CC	2
Shira D. Goodman*	58	N/A		Advisory Director of Charlesbank Capital Partners	N/A	2
Christopher T. Jenny*	63	2016		Former Senior Advisor to EY-Parthenon	AC, GC	0

Gerardo I. Lopez*	59	2015	Operating Partner of Softbank Group	CC, GC	2
Robert E. Sulentic	62	2012	President and Chief Executive Officer of CBRE	EC	0
Laura D. Tyson*	71	2010	Distinguished Professor of the Graduate School, Haas School of Business, University of California, Berkeley	AC	1
Ray Wirta*	75	2001	Chief Executive Officer of The Koll Company	EC	0
Sanjiv Yajnik*	62	2017	President of Capital One Financial Services	AC, CC	0

**Independent Director*

Board Chair

Key:

ACAudit and Finance Committee

CCCompensation Committee

ECExecutive Committee

GCCorporate Governance and Nominating Committee

Executive Compensation Highlights

Our Philosophy Our executive compensation program is designed to reinforce our corporate strategy and to attract and retain accomplished and high-performing executives and to motivate those executives to consistently achieve short- and long-term goals consistent with and in furtherance of our corporate strategy. To do this, we focus a significant percentage of our executive officers' compensation on both annual and long-term incentive awards intended to drive growth in our business and in our share price in the short and long term, with a relatively modest portion of compensation paid in fixed base salary.

In 2018, we continued to place a significant percentage of our named executive officers' total annual target direct compensation at risk, with incentive programs tied to financial and strategic performance objectives. In 2018, our

named executive officers (NEOs) (taken collectively, but excluding Calvin W. Frese, Jr., our former Global Group President) had on average approximately (1) 85% of their total annual target direct compensation tied to variable, as opposed to fixed, compensation, (2) 48% of their total annual target direct compensation tied to financial and strategic objectives (our annual cash bonus awards and Adjusted EPS Equity Awards) and (3) 62% of their total annual target direct compensation tied to our stock price performance (our Adjusted EPS Equity Awards and Time Vesting Equity Awards). This program design is intended to motivate our executive officers to achieve positive short- and long-term results for our stockholders consistent with and in furtherance of our corporate strategy.

4 CBRE - 2019 Proxy Statement

Table of Contents

PROXY SUMMARY INFORMATION

The total target direct compensation mix for 2018 for (i) our Chief Executive Officer (CEO) and (ii) our CEO together with our other NEOs (excluding Mr. Frese) is illustrated in the following charts:

Say on Pay We received strong support for our executive compensation from our stockholders at our 2018 annual meeting of stockholders, at which approximately 97% of the votes cast on the say on pay proposal were in favor of the 2017 compensation that we paid to our named executive officers. In addition, stockholders that we engaged with as part of our outreach program generally reported that executive compensation was viewed as well-aligned with performance.

2018 Financial Performance We achieved strong overall financial and operational performance in 2018. Historically, our Board has set aggressive annual financial targets to achieve strategic growth and increase stockholder value, and our 2018 operating plan assumed continued solid growth over 2017. In 2018, we outperformed our internal growth target on

a global basis and for our Americas segment and Global Workplace Solutions business. As we describe in greater detail under the heading Compensation Discussion and Analysis beginning on page 29, our overall performance directly impacted a portion of the compensation of all of our named executive officers. The performance of our Global Workplace Solutions business directly impacted a portion of the compensation for William F. Concannon (our Global CEO Global Workplace Solutions) and the performance of our Americas segment directly impacted a portion of the compensation for John E. Durburg (who served as Group President and CEO Americas until August 17, 2018, and as our Global Chief Operating Officer for the remainder of 2018).

Annual Compensation Set forth below is the 2018 compensation for our named executive officers. See the footnotes accompanying the Summary Compensation Table on page 50 for more information.

Name and Principal Position	Year	Salary		Stock Awards (\$)		Non-Equity Incentive Compensation	All Other Compensation	Total (\$)
		(\$)	(\$)	Annual Stock Awards (\$)	Cancellation of Accounting Expense (\$)			

Compensation (\$)
(\$)

Robert E. Sulentic	2018	997,500	6,799,978	2,532,843	4,500	10,334,821
President and Chief Executive Officer						

James R. Groch	2018	770,000	2,999,924	1,409,039	4,500	5,183,463
Chief Financial Officer and Chief Investment Officer						

Michael J. Lafitte	2018	726,250	2,659,975	1,367,503	4,500	4,758,228
Global Chief Executive Officer Advisory Services						

William F. Concannon	2018	700,000	2,319,981	1,273,068	4,500	4,297,549
Global Chief Executive Officer Global Workplace Solutions						

John E. Durburg	2018	637,500	1,399,935	976,552	4,500	3,018,487
Global Chief Operating Officer						

Calvin W. Frese, Jr.	2018	700,000	2,319,981	4,607,720	1,219,947	8,852,148
----------------------	------	---------	-----------	-----------	-----------	-----------

Former Global Group
President⁽⁵⁾

(5) Mr. Frese transitioned from his role as Global Group President on August 17, 2018 to a non-executive capacity, providing advisory services pursuant to the terms of his Transition Agreement. For additional information, please refer to the discussion under Employment Agreements beginning on page 51.

CBRE - 2019 Proxy Statement 5

Table of Contents

TABLE OF CONTENTS

<u>PROPOSAL 1</u>	<u>Elect Directors</u>	7
<u>CORPORATE GOVERNANCE</u>		14
<u>PROPOSAL 2</u>	<u>Ratify Appointment of Independent Registered Public Accounting Firm</u>	25
<u>AUDIT AND OTHER FEES</u>		26
<u>PROPOSAL 3</u>	<u>Advisory Vote on Executive Compensation</u>	28
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>		29
<u>EXECUTIVE MANAGEMENT</u>		48
<u>EXECUTIVE COMPENSATION</u>		50
<u>PROPOSAL 4</u>	<u>Approve the 2019 Equity Incentive Plan</u>	67
<u>PROPOSAL 5</u>	<u>Consider a Stockholder Proposal Regarding Revisions to the Company's Proxy Access By-law</u>	73
<u>PROPOSAL 6</u>	<u>Consider a Stockholder Proposal Requesting that the Board of Directors Prepare a Report on the Impact of Mandatory Arbitration Policies</u>	75

<u>STOCK OWNERSHIP</u>	77
<u>RELATED-PARTY TRANSACTIONS</u>	80
<u>GENERAL INFORMATION ABOUT THE ANNUAL MEETING</u>	82
<u>ANNEX A Reconciliation of Certain Non-GAAP Financial Measures</u>	A-1
<u>ANNEX B 2019 Equity Incentive Plan</u>	B-1

6 CBRE - 2019 Proxy Statement

Table of Contents

PROPOSAL 1 ELECT DIRECTORS

Our Board has nominated 11 directors for election at this Annual Meeting to hold office until the next annual meeting and the election of their successors. All of the nominees were selected to serve on our Board based on:

outstanding achievement in their professional careers;

broad experience;

personal and professional integrity;

their ability to make independent, analytical inquiries;

financial literacy;

mature judgment;

high-performance standards;

familiarity with our business and industry; and

an ability to work collegially.

We also believe that all of our director nominees have a reputation for honesty and adherence to high ethical standards. Each agreed to be named in this Proxy Statement and to serve if elected.

Director Nomination Criteria: Qualifications, Skills and Experience

Our by-laws provide that our Board may not nominate (i) more than one member of the company's current management to serve on the Board at any one time or (ii) any non-management director for re-election to the Board if

that director has completed 12 years of service as an independent member of the Board.¹ Our Board believes that these restrictions contribute to Board stability, vitality and diversity and help ensure that our Board continuously benefits from a balanced mix of perspectives and experiences. Our focus on Board refreshment has resulted in the addition of six new directors since October 2015.

Our Board seeks directors who represent a mix of backgrounds and experiences that will enhance the quality of our Board's deliberations and decisions. In nominating candidates, our Board considers a diversified membership in the broadest sense, including persons diverse in experience, gender and ethnicity. Our Board does not discriminate on the basis of race, color, national origin, gender, religion, disability or sexual preference. When evaluating candidates, our Board considers whether potential nominees possess integrity, accountability, informed judgment, financial literacy, mature confidence and high-performance standards.

Our Board is especially interested in adding candidates over time who are operating executives (particularly current chief executives or other operating executives of other large public companies) or who have a strong technology background and in both cases a passion for building a transformative business on a global basis. Other factors include having directors with international experience, including knowledge of emerging

markets or management of business operations and resources that are dispersed across a global platform. In addition, a majority of our Board must be independent, consistent with our Corporate Governance Guidelines and New York Stock Exchange (NYSE) listing standards. Further, at least one member of our Board should have the qualifications and skills necessary to be considered an Audit Committee Financial Expert under Section 407 of the Sarbanes-Oxley Act, as defined by the rules of the Securities and Exchange Commission (SEC).

The Corporate Governance and Nominating Committee of our Board of Directors, or the Governance Committee, is, among other things, responsible for identifying and evaluating potential candidates and recommending candidates to our Board for nomination, as well as performing assessments of the skills and experience needed to properly oversee our interests.

The Governance Committee regularly reviews the composition of our Board and determines whether the addition of directors with particular experience, skills or characteristics would make our Board more effective. When a need arises to fill a vacancy, or it is determined that a director possessing particular experiences, skills or characteristics would make our Board more effective, the Governance Committee conducts targeted efforts to identify and recruit individuals who have the identified qualifications. As a part of the search process, the Governance Committee may consult with other directors and members of our senior management and also may hire a search firm to assist in identifying and evaluating potential candidates.

¹ The application of this term-limit restriction does not go into effect until December 17, 2020 for any of the company's directors who were serving on the Board as of December 17, 2015. See Term Limits on page 16.

Table of Contents

PROPOSAL 1

All potential candidates are interviewed by our CEO, our Board Chair, our Governance Committee Chair and, to the extent practicable, the other members of the Governance Committee, and may be interviewed by other directors and members of senior management as desired and as schedules permit. In addition, the General Counsel reviews a director questionnaire submitted by the candidate, and a background and reference check is conducted as appropriate. The Governance Committee then meets to consider and approve the final candidates, and either makes its recommendation to the Board to fill a vacancy and to add an additional Board

member, or recommends a slate of candidates to the Board for nomination for election to the Board. The selection process for candidates is intended to be flexible, and the Governance Committee, in the exercise of its discretion, may deviate from the selection process when particular circumstances so warrant.

The Governance Committee will also consider candidates recommended to our Board by our stockholders. See Corporate Governance Stockholder Recommendations and Nominations of Director Candidates Stockholder Recommendations on page 15 for more information.

Director Skills Matrix

We believe our director nominees bring a well-rounded variety of experiences, qualifications, attributes and skills, and represent a mix of deep knowledge of the company and fresh perspectives. The director skills matrix below represents some of the key skills that our Board has identified as particularly valuable to the effective oversight of our company and the execution of our corporate strategy. This skills matrix

highlights the depth and breadth of the skills of our director nominees. This director skills matrix is not intended to be an exhaustive list of each of our director nominees' skills or contributions to the Board. Further information on each director nominee, including some of their specific experience, qualifications, attributes and skills is set forth in the biographies on pages 9 to 13 of this Proxy Statement.

8 CBRE - 2019 Proxy Statement

Table of Contents

PROPOSAL 1

2019 Director Nominees

Brandon B. Boze

Age: 38

Director Since: December 2012

Board Committee: Executive (Chair)

Mr. Boze has served as the Independent Chair of our Board since May 2018. He is a Partner and a Member of the Management Committee of ValueAct Capital, a privately-owned investment firm that he joined in August 2005. Prior to joining ValueAct Capital, Mr. Boze was an investment banker at Lehman Brothers, focused on power utilities and technology mergers and acquisitions.

Qualifications, Attributes, Skills and Experience:

Mr. Boze brings to our Board experience in finance, strategy and mergers and acquisitions as well as deep knowledge of our business as a Partner at a significant stockholder. He serves on the board of directors of Trinity Industries, Inc. and previously served on the board of directors of Valeant Pharmaceuticals International. Mr. Boze holds a B.E. from Vanderbilt University and is a CFA charterholder.

Beth F. Cobert

Age: 60

Director Since: May 2017

Board Committees: Compensation (Chair)
Governance

Ms. Cobert has served as the Chief Executive Officer of Skillful, a non-profit organization focused on creating a skills-based labor market, since June 2017. She previously served as the Acting Director of the U.S. Office of Personnel Management from July 2015 to January 2017, and as the Deputy Director for Management of the U.S. Office of Management and Budget from October 2013 to July 2015. From 2001 to October 2013, Ms. Cobert served as a Senior Partner at McKinsey & Company, a global business strategy consulting firm. From 1990 to 2001, Ms. Cobert was a Partner at McKinsey & Company. She joined the firm in 1984 as an Associate and served in various leadership roles at McKinsey & Company.

Qualifications, Attributes, Skills and Experience:

Ms. Cobert brings to our Board nearly 30 years of experience as a consultant in business strategy, where she worked with corporate, non-profit and government entities on key strategic, operational and organizational issues across a range of sectors, including financial services, health care, legal services, real estate and telecommunications. Our Board also benefits from Ms. Cobert's government service. Ms. Cobert previously served as a member of the board of directors and chair of the United Way of the Bay Area and as a member of the Stanford University Graduate School of Business Advisory Council. Ms. Cobert holds a B.A. from Princeton University and an M.B.A. from Stanford University.

Curtis F. Feeny

Age: 61

Director Since: December 2006

Board Committees: Audit and Finance (Chair)
 Governance
 Executive

Mr. Feeny has served as a Managing Director of Silicon Valley Data Capital, a venture capital firm, since July 2017. He previously served as a Managing Director of Voyager Capital, a venture capital firm, from January 2000 to December 2017. From 1992 through 1999, Mr. Feeny served as Executive Vice President of Stanford Management Co., which manages the Stanford University endowment.

Qualifications, Attributes, Skills and Experience:

Mr. Feeny brings broad knowledge of the commercial real estate industry and our business from his service as an employee and later director of Trammell Crow Company as well as from his many years of service as Chair of our Audit and Finance Committee. He also has broad experience counseling companies through growth and experience in corporate finance matters. Mr. Feeny previously served on the board of directors of Staples, Inc. and Trammell Crow Company, which we acquired in 2006. Mr. Feeny holds a B.S. from Texas A&M University and an M.B.A. from Harvard Business School.

Table of Contents

PROPOSAL 1

Reginald H. Gilyard

Age: 55

Director Since: November 2018

Board Committee: Compensation

Mr. Gilyard has served as a Senior Advisor to The Boston Consulting Group, Inc. (BCG), a global management consulting firm, since August 2017. Prior to this role, Mr. Gilyard served as the Dean of The Argyros School of Business and Economics at Chapman University from August 2012 to July 2017. Prior to joining Chapman University, Mr. Gilyard served as Partner and Managing Director at BCG, where he led strategy, M&A and business transformation initiatives for large corporations, from 1996 to 2012. Prior to BCG, he served nine years in the U.S. Air Force and three years in the U.S. Air Force Reserves, rising to Major in the Reserves.

Qualifications, Attributes, Skills and Experience:

Mr. Gilyard brings to our Board more than 20 years of experience developing and implementing successful strategies for Fortune 500 companies, educational institutions and large national foundations. Mr. Gilyard serves on the board of directors of First American Financial Corporation and Realty Income Corporation. He also serves as the Board Chair of Pacific Charter School Development, a real estate development company serving low income families in urban centers across the country. Mr. Gilyard holds a B.S. from the United States Air Force Academy, an M.S. from the United States Air Force Institute of Technology and an M.B.A. from Harvard Business School.

Shira D. Goodman

Age: 58

Director Since: Not Applicable

Board Committee: Not Applicable

Ms. Goodman has served as an Advisory Director to Charlesbank Capital Partner, a private equity firm, since January 2019. She previously served as the Chief Executive Officer of Staples, Inc. from September 2016 to January 2018. Ms. Goodman served in roles with increasing responsibility at Staples since joining Staples in 1992, including President and Interim Chief Executive Officer from June 2016 to September 2016, President, North American Operations from January 2016 to June 2016, and President, North American Commercial from February 2014 to June 2016. Prior to that, she served as Executive Vice President of Global Growth from February 2012 to February 2014,

Table of Contents**PROPOSAL 1***Gerardo I. Lopez***Age: 59****Director Since: October 2015****Board Committees:** Compensation
Governance

Mr. Lopez has served as an Operating Partner at Softbank Group since December 2018. He previously served as an Operating Partner at High Bluff Capital from June 2018 to December 2018. From January 2018 to March 2018, Mr. Lopez served as a Senior Advisor to Extended Stay America, Inc. and its paired-share REIT, ESH Hospitality, Inc. and was its President and Chief Executive Officer from August 2015 to December 2017. Mr. Lopez previously served as President and Chief Executive Officer of AMC Entertainment Holdings, Inc. and its subsidiary, AMC Entertainment Inc., from March 2009 through August 2015. Prior to that, he was Executive Vice President of Starbucks Coffee Company and President of its Global Consumer Products, Seattle's Best Coffee and Foodservice divisions from September 2004 to March 2009, and President of the Handleman Entertainment Resources division of Handleman Company from November 2001 to September 2004. Mr. Lopez has also held a variety of executive management positions with International Home Foods, Frito Lay, Pepsi-Cola and the Procter & Gamble Company.

Qualifications, Attributes, Skills and Experience:

Mr. Lopez brings to our Board his skills, knowledge and business leadership as a senior executive at hospitality, entertainment and consumer products companies. He has over 30 years of experience in marketing, sales and operations and management in public and private companies and has public company experience across diverse consumer-focused industries. He serves on the board of directors of Newell Brands and Realty Income Corporation, and previously served on the board of directors of Brinker International, Inc., Extended Stay America, Inc., AMC Entertainment Holdings, Inc., Digital Cinema Implementation Partners, National Cinemedia, LLC, Open Road Films, Safeco Insurance, TXU,

Inc. and Recreational Equipment, Inc. Mr. Lopez holds a B.A. from George Washington University and an M.B.A. from Harvard Business School.

*Robert E. Sulentic***Age: 62**

Director Since: December 2012

Board Committee: Executive

Mr. Sulentic has been our CEO since December 2012 and President since March 2010. He previously served as the President of our Development Services business from December 2006 to April 2011, as our Chief Financial Officer from March 2009 until March 2010 and as our Group President from July 2009 until March 2010. Mr. Sulentic was a member of our Board and Group President of Development Services, Asia Pacific and Europe, Middle East and Africa from December 2006 through March 2009. He was President and Chief Executive Officer of Trammell Crow Company from October 2000 through our acquisition of that company in December 2006, and prior to that served as its Executive Vice President and Chief Financial Officer from September 1998 to October 2000.

Qualifications, Attributes, Skills and Experience:

Mr. Sulentic brings to our Board a significant operating background in the commercial real estate industry through extensive experience, previously with the Trammell Crow Company before its acquisition by us, and later with the company in his capacities as Group President of several service lines, as our Chief Financial Officer, and currently as our President and CEO. He previously served as the Independent Board Chair and member of the board of directors of Staples, Inc., and previously served on the board of directors of Trammell Crow Company from December 1997 through December 2006, including as its Chairman from May 2002 through December 2006. Mr. Sulentic holds a B.A. from Iowa State University and an M.B.A. from Harvard Business School.

Table of Contents

PROPOSAL 1

Laura D. Tyson

Age: 71

Director Since: March 2010

Board Committee: Audit and Finance

Dr. Tyson has been a Distinguished Professor of the Graduate School, Haas School of Business, University of California, Berkeley since July 2016. She was a Professor at the Haas School of Business, University of California, Berkeley from January 2007 to July 2016 and has also been the Director of the Institute for Business and Social Impact at the Haas School since July 2013. Dr. Tyson was previously Dean of the London Business School from January 2002 to December 2006 and Dean of the Haas School of Business from July 1998 to December 2001, and was Professor of Business Administration and Economics there from January 1997 to June 1998. She was a member of President Clinton's cabinet from 1993 through 1996. During that time, she served as the Chair of the National Economic Council and as the National Economic Adviser to the President of the United States from February 1995 to December 1996, and she was the first woman to Chair the White House Council of Economic Advisers, in which capacity she served from January 1993 to February 1995.

Qualifications, Attributes, Skills and Experience:

Dr. Tyson brings experience from serving on the boards of directors of complex global organizations, and is a noted economist who brings experience in government and broad knowledge of macroeconomics and international economic issues to our Board. Dr. Tyson served as a member of President Obama's Economic Recovery Advisory Board from 2009 through 2011, as a member of President Obama's Council on Jobs and Competitiveness from 2011 through 2012, and as a member of the U.S. State Department Foreign Affairs Policy Board from 2011 through 2013. She is a member on the board of directors of AT&T Inc., Lexmark International, Inc. and APEX Swiss Holdings SARL. She also serves as Chair of the Board of Trustees of the Blum Center for Developing Economies at the University of California, Berkeley and serves

on the board of the Opportunity Institute. She previously served on the board of directors of Eastman Kodak Company, Morgan Stanley and Silver Spring Networks, Inc. Dr. Tyson holds a B.A. from Smith College and a Ph.D. in Economics from the Massachusetts Institute of Technology.

Ray Wirta

Age: 75

Director Since: September 2001

Board Committee: Executive

Mr. Wirta served as the Independent Chair of our Board from May 2014 to May 2018. Prior to that, he served as the Vice Chair of our Board from November 2013 to May 2014. He has served as the Chief Executive Officer of The Koll Company since November 2009. He previously served as President of the Irvine Company from June 2016 to March 2019 and President of the Investment Properties Group at the Irvine Company from June 2010 through June 2016. Mr. Wirta served as our Chief Executive Officer from September 2001 to June 2005, and Chief Executive Officer of our predecessor company, CBRE Services, Inc., from May 1999 to September 2001. He also served as Chief Operating Officer of that predecessor company from May 1998 to May 1999. Mr. Wirta served as a director and Non-Executive Chairman of Realty Finance Corporation, where he was the Chairman from May 2005 through August 2009. He also served as Interim Chief Executive Officer and President of that company from April 2007 to September 2007.

Qualifications, Attributes, Skills and Experience:

Mr. Wirta brings to our Board many years of experience in the commercial real estate industry, including a depth of knowledge about the real estate investment management and development services business and operational experience in our business operations as our former chief executive officer. Mr. Wirta holds a B.A. from California State University, Long Beach and an M.B.A. from Golden Gate University.

12 CBRE - 2019 Proxy Statement

The following summarizes the independence, diversity and tenure of our 2019 director nominees:

Required Vote

This is an uncontested Board election. As such, in order to be elected, each nominee must receive the affirmative vote of a majority of the votes cast on his or her election (*i.e.*, votes cast **FOR** a nominee must exceed votes cast as **AGAINST**). Votes to **ABSTAIN** with respect to a nominee and broker non-votes are not considered votes cast, and so will not affect the outcome of the nominee's election.

Recommendation

Our Board recommends that stockholders vote FOR all of the nominees.

Table of Contents**CORPORATE GOVERNANCE**

We are governed by a Board and committees of the Board that meet several times throughout the year, and we are committed to maintaining the highest standards of business conduct and corporate governance. Governance is a continuous focus for us, starting with our Board and extending to management and our employees. Our Board has also established Corporate Governance Guidelines that provide a framework for the effective governance of the company.

In January 2017, our Board adopted proxy access for director nominations, which allows eligible stockholders to nominate

directors and include those nominees in our proxy materials. As set forth in our by-laws, a group of up to 20 stockholders who beneficially own at least 3% of our outstanding common stock in the aggregate and who have held their shares for at least three years may submit nominees. The maximum number of director nominees included in our proxy materials pursuant to this process shall be the greater of (i) 20% of the total number of directors serving in office at the deadline for nominations (rounded down to the nearest whole number) and (ii) two.

GOVERNANCE HIGHLIGHTS

Corporate Governance	Compensation	Stockholder Rights
11 director nominees, 10 of whom are independent	Pay-for-performance compensation program, which includes performance-based equity grants	Annual election of all directors
Director Term Limits (12 years)	Annual say on pay votes, with most recent favorable say on pay vote of approximately 97%	Majority voting requirement for directors in uncontested elections
Independent Chair of the Board	Stock ownership requirements for	Stockholder rights to call special

	directors and executive officers	meetings
Regular executive sessions of independent directors	Policy restricting trading, and prohibiting hedging and short-selling, of CBRE stock	No poison pill takeover defense plans
Risk oversight by the Board and its key committees	Compensation clawback policy for executive officers	Stockholders may act by written consent
Maximum of one Board-nominated management director		Proxy access for director nominations
All incumbent directors attended at least 80% of Board and Board committee meetings		Ongoing stockholder outreach and engagement
Robust Standards of Business Conduct and governance policies		
No over-boarding by our directors on other public-company boards		

Process for Selecting Director Candidates

The Governance Committee identifies and evaluates potential candidates and recommends candidates to our Board for nomination. For greater detail about the criteria for director

candidates and the nomination process, see Proposal 1 Elect Directors Director Nomination Criteria: Qualifications, Skills and Experience on page 7.

² The application of this term-limit restriction does not go into effect until December 17, 2020 for any of the company’s directors who were serving on the Board as of December 17, 2015. See Term Limits on page 16.

Table of Contents

CORPORATE GOVERNANCE

Stockholder Recommendations and Nominations of Director Candidates

Stockholder Recommendations

If you are a stockholder who would like to recommend a candidate for our Governance Committee to consider for possible inclusion in our 2020 proxy statement, you must send notice to Laurence H. Midler, Secretary, CBRE Group, Inc., 400 South Hope Street, 25th Floor, Los Angeles, California 90071, by registered, certified or express mail, and provide him with a brief biographical sketch of the recommended candidate, a document indicating the recommended candidate's willingness to serve if elected, and evidence of your stock ownership. The Governance Committee or its chair will then consider the recommended director candidate in accordance with the criteria for director selection described under Proposal 1 Elect Directors.

Director Nomination Criteria: Qualifications, Skills and Experience on page 7.

Stockholder Nominations

Stockholders who wish to nominate directors directly at an annual meeting should follow the instructions under Submission of Stockholder Proposals and Board Nominees on page 24. As discussed under Stockholder Director Nominations for Inclusion in the 2020 Proxy Statement on page 24, our by-laws allow stockholders to submit director nominations to be included in our proxy materials. A stockholder who wishes to nominate a candidate and have that candidate included in our proxy materials must follow the procedures described in Article I, Section 12 of our by-laws.

Director Independence

Pursuant to our Board's Corporate Governance Guidelines and the listing standards of the NYSE, our Board must consist of a majority of independent directors. In addition, all members of the Audit and Finance Committee, Compensation Committee and Governance Committee must be independent directors as defined by our Corporate Governance Guidelines and NYSE listing standards. Members of the Compensation Committee must also meet applicable NYSE independence requirements for compensation committee members, and members of the Audit and Finance Committee must further satisfy a separate SEC independence requirement, which generally provides that they may not (i) accept directly or indirectly any consulting, advisory or other compensatory fee from us or any of our subsidiaries, other than their compensation as directors or members of the Audit and Finance Committee or any other committees of our Board or (ii) be an affiliated person of ours.

Our Board regularly conducts a review of possible conflicts of interest and related-party transactions through the use of questionnaires, director self-reporting and diligence conducted by management. This review includes consideration

of any investments and agreements between directors and their related persons and the company, including those described under "Related-Party Transactions" in this Proxy Statement, and such person's beneficial ownership of our securities. The Board has determined that 91% of our director nominees (all except for Mr. Sulentic) are independent in accordance with NYSE listing standards and our Board's Categorical Independence Standards that it has adopted relating to our director independence. These Categorical Independence Standards are posted on the Corporate Governance section of the Investor Relations page on our website at www.cbre.com.

Independent Director Meetings

Our non-management directors meet in executive session without management present each time the full Board convenes for a regularly scheduled meeting. If our Board convenes for a special meeting, the non-management

directors will meet in executive session if circumstances warrant. The Chair of our Board is a non-management director that presides over executive sessions of our Board.

CBRE - 2019 Proxy Statement 15

Table of Contents

CORPORATE GOVERNANCE

Majority Voting to Elect Directors

In uncontested elections, directors are elected by a majority vote requirement. Under this requirement, in order for a nominee to be elected in an uncontested election, the nominee must receive the affirmative vote of a majority of the votes cast in his or her election (*i.e.*, votes cast FOR a nominee must exceed votes cast as AGAINST). Votes to ABSTAIN with respect to a nominee and broker non-votes

are not considered votes cast, and so will not affect the outcome of the nominee's election.

The company maintains a plurality vote standard in contested director elections, where the number of nominees exceeds the number of directors to be elected.

Director Resignation Policy Upon Change of Employment

Our Board's Corporate Governance Guidelines require that directors tender their resignation upon a change of their employment. The Governance Committee will then consider whether the change in employment has any bearing on the

director's ability to serve on our Board, our Board's goals regarding Board composition or any other factors considered appropriate and relevant. Our Board will then determine whether to accept or reject the tendered resignation.

Term Limits

The Board may not nominate any non-management director for re-election to the Board if that director has completed 12 years of service as an independent member of the Board on or prior to the date of election to which such nomination relates. The application of this term-limit restriction does not go into

effect until December 17, 2020 for any of the company's directors who were serving on the Board as of December 17, 2015. The Board believes that this restriction will contribute to Board stability and vitality.

Board Structure and Leadership

Our Board currently consists of 11 directors, 10 of whom have been nominated for re-election. As previously reported on the company's Form 8-K filed with the SEC on December 11, 2018, Ms. Reynolds will continue to serve on our Board until the 2019 Annual Meeting, but will not stand for re-election following the expiration of her current term at the 2019 Annual Meeting.

All of our directors are elected at each annual meeting of stockholders and hold office until the next election. Our Board has authority under our by-laws to fill vacancies and to increase or, upon the occurrence of a vacancy, decrease its size between annual meetings of stockholders.

The Board has determined that it is in the best interests of the company and its stockholders that the size of the Board remain at 11 members effective as of the date of the Annual Meeting. Ms. Goodman has been nominated by our Board to succeed Ms. Reynolds. For additional information, see Proposal 1 Elect Directors.

Since 2001, we have separated the roles of CEO and Chair of the Board in recognition of the differences between the two positions. Our CEO is responsible for setting the strategic direction and overseeing the day-to-day leadership and performance of the company. The Chair of our Board, who is independent of management, provides oversight and guidance to our CEO. Although it has been our longstanding policy to have an independent Board Chair, we amended our by-laws in 2015 to require that the Board Chair be an independent director.

Table of Contents

CORPORATE GOVERNANCE

Board Risk Management

Oversight of Risk

The Board oversees risk management.

Board committees, which meet regularly and report back to the full Board, play significant roles in carrying out our Board's risk oversight function.

Company management is charged with managing risk through rigorous risk mitigation activities and strong internal controls.

Our Board regularly reviews information regarding our most significant strategic, operational, financial and compliance risks. Our Board maintains direct oversight over our enterprise risk management process rather than delegating this function to a Board or management committee. We maintain an executive risk committee chaired by our Chief Risk Officer and consisting of senior executives representing a cross-section of our lines of business, operational areas and geographic regions who are responsible for identifying, assessing and managing our most significant risks. Multiple times during the year, the Chief Risk Officer provides a detailed presentation on identified significant risks to the Board. Certain risks that are determined to be best managed directly by the Board versus management or that are in areas specific to a particular Board committee expertise are monitored and overseen at the Board or committee level as appropriate.

The Compensation Committee is responsible for overseeing the management of risks relating to our compensation plans and arrangements. For additional information regarding the Compensation Committee's assessment of our compensation-related risk, please see "Compensation Discussion and Analysis: How We Make Compensation Decisions: Compensation Risk Assessment" on page 35.

The Audit and Finance Committee oversees management of risks related to our financial reports and record-keeping and potential conflicts of interest, and also oversees our risk assessment and risk management more generally, including major business, financial, cybersecurity, legal and reputational risk exposures. In furtherance of this oversight responsibility, the Audit and Finance Committee typically receives quarterly reports from our Chief Accounting Officer, our Chief Ethics & Compliance Officer, our Director of Internal Audit, our Chief Digital & Technology Officer as well as updates from our General Counsel and Chief Risk Officer on any developments affecting our overall risk profile.

The Governance Committee manages risks associated with the independence of the Board and the composition of our Board and its committees.

Although each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee chair reports about such risks. These reports are presented at every regularly scheduled Board meeting.

Succession Planning

Our Board reviews management succession and development plans with the CEO on at least an annual basis. These plans include CEO succession in the event of an emergency or

retirement, as well as the succession plans for the CEO's direct reports and other employees critical to our continued operations and success.

Board Meetings and Committees

Our Board held six meetings during fiscal year 2018 to review significant developments, engage in strategic planning and act on matters requiring Board approval. In 2018, each incumbent director attended at least 90% percent of our Board meetings and meetings of committees on which he or she served (taken in the aggregate) during the period that he or she served

thereon. Our Board also conducted several lengthy strategic planning sessions with our management during 2018.

Our Board currently has four standing committees that met or acted by written consent during fiscal year 2018: the Audit and Finance Committee, the Compensation Committee, the Governance Committee and the Executive Committee.

Table of Contents**CORPORATE GOVERNANCE**

The following table describes the current members of each of the committees of our Board, and the number of meetings held during fiscal year 2018:

Director	Board	Audit and Finance	Compensation	Governance	Executive
Brandon B. Boze	CHAIR				CHAIR
Beth F. Cobert	ü		CHAIR	ü	
Curtis F. Feeny	ü	CHAIR		ü	ü
Reginald H. Gilyard	ü		ü		
Christopher T. Jenny	ü	ü		CHAIR	
Gerardo I. Lopez	ü		ü	ü	
Paula R. Reynolds ⁽¹⁾	ü	ü	ü		

Robert E. Sulentic	ü				ü
Laura D. Tyson	ü	ü			
Ray Wirta	ü				ü
Sanjiv Yajnik	ü	ü	ü		
<i>Number of Meetings</i>	6	9	4	4	1

(1) Ms. Reynolds currently serves on our Board, but will not stand for re-election following the expiration of her current term at the Annual Meeting.

Each committee (other than the Executive Committee) is composed entirely of directors whom our Board has determined to be independent under current NYSE standards. Each committee operates under a charter approved by our Board that sets out the purposes and responsibilities of the committee and that are published in the Corporate Governance section of the Investor Relations page on our website at www.cbre.com. In accordance with our Board's Corporate Governance Guidelines, our Board and each of the Audit and Finance Committee, Compensation Committee and Governance Committee conducts an annual performance self-assessment with the purpose of increasing the effectiveness of our Board and its committees. The responsibilities of all of our Board committees are described below.

Audit and Finance Committee The Audit and Finance Committee provides oversight of our accounting and financial reporting and disclosure processes; the adequacy of the systems of disclosure and internal control established by management; our compliance with legal and regulatory requirements; risk oversight and management generally; the audit of our financial statements; and the periodic review of our balance sheet management, borrowing and capital markets activities. Among other things, the Audit and Finance Committee: (i) retains, compensates, oversees and terminates the independent auditor and evaluates its independence and performance; (ii) approves all audit and any non-audit services performed by the independent auditor; (iii) reviews the results of the independent audit and internal audits as well as reports from our Chief Accounting Officer, our Chief Ethics & Compliance Officer, our Director of Internal Audit and our Chief Digital & Technology Officer; (iv) reviews the independent auditor's report describing our internal quality-control procedures and any material issues raised by the most recent internal quality-control review or any inquiry by governmental authorities;

(v) reviews financial statements and releases and guidance provided to analysts and rating agencies; and (vi) establishes procedures to handle complaints regarding accounting, internal controls or auditing matters.

All of the members of the Audit and Finance Committee are independent within the meaning of SEC regulations, the listing standards of the NYSE and our Board's Corporate Governance Guidelines. Our Board has determined that each of Messrs. Feeny and Jenny, Ms. Reynolds and Dr. Tyson meets the qualifications of an audit committee financial expert in accordance with SEC rules and that they have the requisite accounting, related financial management and/or other relevant expertise, as described under Proposal 1 Elect Directors beginning on page 7.

Compensation Committee The Compensation Committee oversees the development and administration of our executive compensation policies, plans and programs, including reviewing and approving compensation of our executive officers and any compensation contracts or arrangements with our executive officers. In addition, the Compensation Committee reviews the performance of our executive officers, including our CEO. Each of the members of the Compensation Committee qualifies as a non-employee director within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and as an outside director for purposes of Section 162(m) of the Internal Revenue Code, and each of them is also independent within the meaning of the listing standards and rules of the NYSE applicable to members of compensation committees. For additional information on the responsibilities and activities of the Compensation Committee, including the Compensation Committee's processes for determining executive compensation, see the Compensation Discussion and Analysis section of this Proxy Statement beginning on page 29.

18 CBRE - 2019 Proxy Statement

Table of Contents

CORPORATE GOVERNANCE

Governance Committee The Governance Committee oversees our Board's corporate governance procedures and practices, including the recommendations of individuals for service on our Board and recommendations to our Board regarding corporate governance matters and practices, including as to director compensation and directors' and officers' liability insurance. In addition, the Governance Committee consults with our CEO regarding management

succession planning. All of the members of the Governance Committee are independent within the meaning of the listing standards and rules of the NYSE.

Executive Committee The Executive Committee implements policy decisions of our Board and is authorized to act on our Board's behalf between meetings of our Board, including by approving certain transactions within dollar thresholds established by our Board.

Board Attendance at Annual Meeting of Stockholders

Although the Board understands that there may be situations that prevent a director from attending an annual meeting of stockholders, it is the Board's policy that all directors should attend these meetings. All of our incumbent and then-serving directors attended our 2018 annual meeting of stockholders on May 18, 2018.

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee are set forth in the table on page 18. None of Messrs. Gilyard, Lopez and Yajnik or Ms. Cobert and Reynolds has ever been an officer or employee of the company or any of its subsidiaries. In addition, during 2018, none of our directors was employed as an executive officer of another entity where any of our executive officers served on that entity's board of directors or compensation committee (or its equivalent).

Director Compensation

On May 18, 2018, our director compensation policy was amended in order to better align our director compensation with the average compensation paid to directors in the S&P 500 and our peers. Our amended director compensation policy provides for the following annual compensation for each of our non-employee directors elected or appointed on or after our 2018 Annual Meeting of Stockholders:

a \$100,000 annual cash retainer (a \$25,000 increase), payable in full upon commencement of the director's term;

a restricted stock unit grant for a number of shares equal to \$200,000 (a \$50,000 increase) divided by the fair market value of our common stock on the date of grant, which shares vest in full on the earlier of the one-year anniversary of grant or the next annual meeting of stockholders;

the Chair of the Audit and Finance Committee receives an additional annual cash retainer of \$25,000 (a \$10,000 increase);

the Chair of the Compensation Committee receives an additional annual cash retainer of \$20,000 (a \$10,000 increase);

the Chair of the Governance Committee receives an additional annual cash retainer of \$15,000 (a \$5,000 increase); and

there are no board or committee meeting attendance fees (previously, each non-employee director who served on any

of our Board committees received an additional cash payment of \$1,000 per committee meeting attended).

In all cases, our non-employee directors may elect to receive shares of our common stock in lieu of cash payments (in like amounts). Non-employee directors who are appointed or elected off-cycle (*i.e.*, outside an annual meeting) receive a *pro rata* portion of their cash retainer and restricted stock unit grant based on the length of their service until the next annual meeting.

Our non-employee directors are eligible to defer their compensation through our Deferred Compensation Plan, as described under Executive Compensation Summary of Plans, Programs and Agreements Deferred Compensation Plan on page 59. We also reimburse our non-employee directors for all reasonable out-of-pocket expenses incurred in the performance of their duties as directors. Employee directors do not receive any fees for attendance at meetings or for their service on our Board.

Our Board has also adopted stock ownership requirements that are applicable to non-employee directors. A description of these stock ownership requirements can be found under Stock Ownership Requirements on page 22.

Table of Contents**CORPORATE GOVERNANCE**

The following table provides information regarding compensation earned during the fiscal year ended December 31, 2018 by each non-employee director for his or her Board and committee service. Robert E. Sulentic, who is our President and CEO, is not compensated for his role as a director. Compensation information for Mr. Sulentic is described under *Compensation Discussion and Analysis* beginning on page 29 and under *Executive Compensation* beginning on page 50. For stock awards in the table below, the dollar amounts indicated reflect the aggregate grant date fair value for awards granted during the fiscal year ended December 31, 2018.

Name	Fees Earned or Paid in Cash ⁽¹⁾	Value and Nonqualified Deferred Compensation Awards ⁽²⁾⁽³⁾	Change in Pension	Total
			Earnings	
	(\$)	(\$)	(\$)	(\$)
Brandon B. Boze	104,000	199,965		303,965
Beth F. Cobert	125,493	199,965		325,458
Curtis F. Feeny	132,000	199,965		331,965
Bradford M. Freeman ⁽⁴⁾⁽⁵⁾	4,000			4,000
Reginald H. Gilyard ⁽⁶⁾	50,137	100,250		150,387

Edgar Filing: CBRE GROUP, INC. - Form DEF 14A

Christopher T. Jenny	121,000	199,965	320,965
Gerardo I. Lopez ⁽⁴⁾	104,000	199,965	303,965
Frederic V. Malek ⁽⁴⁾⁽⁵⁾	2,000	1,707	3,707
Paula R. Reynolds	106,000	199,965	305,965
Laura D. Tyson	104,000	199,965	303,965
Ray Wirta	101,000	199,965	300,965
Sanjiv Yajnik	103,000	199,965	302,965

(1) Includes fees associated with the annual Board service retainer, attendance at committee meetings (through May 18, 2018, when we amended our director compensation policy to eliminate committee meeting attendance fees) and chairing a Board committee. Our non-employee directors may elect to receive shares of our common stock in lieu of cash payments (in like amounts). We reflect these stock in lieu of cash payments under the column titled "Fees Earned or Paid in Cash," and not under the "Stock Awards" column.

(2) This represents the grant date fair value under Financial Accounting Standards Board, Accounting Standards Codification (ASC), Topic 718, Stock Compensation, of all restricted stock units granted to the directors during 2018. See also Note 2 "Significant Accounting Policies" and Note 13 "Employee Benefit Plans" to our consolidated financial statements as reported in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for a discussion of the valuation of our stock awards.

(3) Each of Ms. Cobert, Reynolds and Dr. Tyson and Messrs. Boze, Feeny, Jenny, Lopez, Wirta and Yajnik was awarded 4,216 restricted stock units pursuant to our director compensation policy, valued at the fair market value

of our common stock of \$47.43 per share on the award date of May 18, 2018.

(4) Pursuant to our Deferred Compensation Plan, our non-employee directors are eligible to defer their director fees as described under Summary of Plans, Programs and Agreements Deferred Compensation Plan on page 59. During 2018, the total deferred account balances (which included amounts deferred during 2018 as well as amounts deferred from prior years) for Messrs. Freeman, Lopez and Malek accrued interest at an annualized rate of 3.56% for the period from January 1, 2018 through March 31, 2018, 3.75% for the period from April 1, 2018 through June 30, 2018, 3.94% for the period from July 1, 2018 through September 30, 2018 and 1.05% for the period from October 1, 2018 through December 31, 2018.

Mr. Freeman deferred a total of \$2,000 of his 2018 cash compensation. Mr. Freeman's total accrued interest for 2018 was \$17,262.

Mr. Lopez did not defer any of his 2018 cash compensation. Mr. Lopez's total accrued interest for 2018 was \$2,367.

Mr. Malek deferred a total of \$1,000 of his 2018 cash compensation. Mr. Malek's total accrued interest for 2018 was \$13,843.

In accordance with SEC rules regarding above-market interest on non-qualified deferred compensation, accrued interest for 2018 of \$1,707 for Mr. Malek, is considered to be compensation and is shown in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column based on a comparison to 120% of the long-term quarterly applicable federal rate for the months when the interest rate was set.

(5) Messrs. Freeman and Malek retired from our Board in May 2018.

(6) Mr. Gilyard was appointed to our Board on November 16, 2018 and as such received pro-rated director compensation for 2018. The pro-rated portion of his annual cash retainer under our director compensation policy was \$50,137 and the pro-rated portion of his equity grant was 2,293 restricted stock units, valued at the fair market value of our common stock of \$43.72 per share on the award date of November 16, 2018.

20 CBRE - 2019 Proxy Statement

Table of Contents**CORPORATE GOVERNANCE**

The table below shows the aggregate number of stock awards (*i.e.*, restricted stock units) and option awards outstanding for each non-employee director as of December 31, 2018:

Name	Aggregate Number of Stock Awards Outstanding	Aggregate Number of Shares Underlying Options Outstanding
Brandon B. Boze	4,216	
Beth F. Cobert	4,216	
Curtis F. Feeny	4,216	
Bradford M. Freeman		
Reginald H. Gilyard	2,293	
Christopher T. Jenny	4,216	
Gerardo I. Lopez	4,216	

Frederic V. Malek

Paula R. Reynolds	4,216
-------------------	-------

Laura D. Tyson	4,216
----------------	-------

Ray Wirta	4,216
-----------	-------

Sanjiv Yajnik	4,216
---------------	-------

Corporate Governance Guidelines and Code of Ethics

Our Board has adopted Standards of Business Conduct applicable to our directors, officers and employees. In addition, our Board has adopted Corporate Governance Guidelines, which set forth a framework within which our Board, assisted by its committees, directs our affairs.

Other key governance policies include:

Policy Regarding Transactions with Interested Parties and Corporate Opportunities. Our Board has adopted a related-party transactions and corporate opportunities policy that directs our Audit and Finance Committee to review and approve, among other things, potential conflicts of interest between us and our directors and executive officers. See *Related-Party Transactions Review and Approval of Transactions with Interested Persons* on page 80.

Whistleblower Policy. We have a Whistleblower Policy that directs the Audit and Finance Committee to investigate complaints (received directly or through management) regarding:

deficiencies in or noncompliance with our internal accounting controls or accounting policies;

circumvention of our internal accounting controls;

fraud in the preparation or review of our financial statements or records;

misrepresentations regarding our financial statements or reports;
violations of legal or regulatory requirements; and

retaliation against whistleblowers.

Equity Award Policy. We have an Equity Award Policy that is designed to maintain the integrity of the equity award process and to ensure compliance with all applicable laws. The Equity Award Policy sets forth the procedures that must be followed in connection with employee awards and imposes stringent controls around any award made outside of the normal cycle. Our Equity Award Policy is described in greater detail under the heading Compensation Discussion and Analysis Other Relevant Policies and Practices Equity Award Policy and procedures for equity grants on page 47.

Compensation Clawback Policy. We have a policy that permits us, subject to the discretion and approval of our Board, to recover cash-based and performance-based-equity incentive compensation paid to any current or former Section 16 officer if there is a restatement of our financial results in certain circumstances. These circumstances are described in greater detail under Compensation Discussion and Analysis Other Relevant Policies and Practices Compensation Clawback Policy on page 46.

Table of Contents

CORPORATE GOVERNANCE

Current copies of our Board's Standards of Business Conduct, Corporate Governance Guidelines, Policy Regarding Transactions with Interested Parties and Corporate Opportunities, Whistleblower Policy and Equity Award Policy are available on our website and in print upon written request to our Investor Relations Department at CBRE Group, Inc., 200 Park Avenue, New York, New York 10166, or by email at investorrelations@cbre.com. If the Board grants any waivers from the Board's Standards of Business Conduct to any of our directors or executive officers, or if we amend such policies, we will, if required, disclose these matters through the Investor Relations section of our website on a timely basis.

Stock Ownership Requirements

In order to align the interests of our Board members and executives with the interests of our stockholders, our Board has adopted stock ownership requirements for non-employee directors, and the Compensation Committee has adopted executive officer stock ownership requirements that are applicable to all of our Section 16 officers.

Non-Employee Directors. Each non-employee director has a target minimum common stock ownership requirement of five times the value of the annual stock grants made by us to the non-employee director pursuant to our then current director compensation plan. If at any time the target common stock ownership requirement is not satisfied, the director must retain the shares remaining after payment of taxes and exercise price upon exercise of stock options, the vesting of restricted stock or the settlement of vested restricted stock units, as applicable. Shares that count toward compliance with the requirements include: shares owned outright by the director (either directly or beneficially, *e.g.*, through a family trust); and shares issued upon the settlement of vested restricted stock units. Shares that do not count toward achievement of the requirements include: (i) shares held by mutual or hedge funds in which the non-employee director is a general partner, limited partner or investor; (ii) unexercised outstanding stock options (whether or not vested);

(iii) unvested/unearned restricted stock units or restricted stock; and (iv) shares transferred to a non-employee director's employer pursuant to such employer's policies.

Executive Officers. Depending on their positions, our executive officers have a target minimum common stock ownership requirement of two to five times their annual base salary. The CEO's target minimum ownership requirement is five times his annual base salary, and the target minimum ownership requirement for our other named executive officers for 2018 is three times their annual base salary. If at any time an executive officer's equity holdings do not satisfy these target minimum ownership requirements, depending on his or her position, the executive must retain 100% (for our CEO) or 75% (for our other named executive officers) of the shares remaining after payment of taxes and exercise price upon the exercise of stock options or upon the vesting of restricted stock or the settlement of vested restricted stock units, as applicable. Shares that count toward compliance with the requirements include: shares owned outright (either directly or indirectly); shares issued upon the settlement of vested restricted stock units; and allocated shares in other company benefit plans. Unexercised outstanding stock options (whether or not vested) and unvested/unearned restricted stock and restricted stock units do not count toward compliance with the requirements.

Corporate Responsibility

We view it as a priority to operate in an environmentally and socially responsible manner, and it is our practice to act responsibly in relationships with our stockholders, customers, suppliers, employees, communities and other stakeholders. The seven pillars of our Corporate Responsibility program are:

Environmental Sustainability;

People and Culture;

Health and Safety;

Communities and Giving;

Procurement;
Ethics and Compliance; and

Governance.

We believe that we can make the greatest impact by:

mitigating the impact of the built environment on climate change;

using our talent, energy and resources to improve the quality of our communities and the lives of others; and

helping our employees to reach their full potential while providing a safe and ethical workplace.

22 CBRE - 2019 Proxy Statement

Table of Contents

CORPORATE GOVERNANCE

In 2018 and in early 2019, our corporate responsibility efforts were recognized with the following awards and accolades:

We were named to the Dow Jones Sustainability Index – North America for the fifth year in a row. Inclusion in this index is based on an assessment of a company’s financially material environmental, social and governance factors.

We remained a constituent of the FTSE4Good Index and have been a part of FTSE4Good since 2014. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating Environmental, Social and Governance practices.

For the sixth consecutive year, we were named as one of the World’s Most Ethical Companies by *Ethisphere Institute*, a global leader in defining and advancing the standards of ethical business practices.

In 2019, we were listed #33 on Barron’s list of the 100 Most Sustainable Companies in the U.S., marking the second consecutive year of recognition. The 1,000 largest U.S. publicly held companies were considered for this recognition based on various attributes of corporate citizenship.

We received a 2018 EPA ENERGY STAR® Partner of the Year – Sustained Excellence Award, marking the 11th consecutive year of ENERGY STAR recognition.

For the 12th consecutive year, we were named to the Companies That Care – Honor Roll by The Center for Companies That Care, which recognizes organizations that demonstrate ten characteristics of socially responsible employers through their daily business practices.

We were included in the 2018 Best Employers For Women list by Forbes.

We were included in the 2019 America’s Best Employers For Diversity list by Forbes. To learn more about our corporate responsibility and sustainability efforts, please view our Corporate Responsibility Report on www.cbre.com/responsibility.

Stockholder Engagement

Throughout each year, management and members of our Board engage with a significant portion of our stockholders through a number of forums, including quarterly earnings presentations, our annual meeting, our annual Investor Day, our annual Corporate Responsibility Report, investor conferences and web communications, as well as our SEC filings, our annual report and proxy statement.

We also have a formal corporate governance outreach program. This program covers a wide array of topics with a broad group of stockholders, and stockholder feedback is regularly provided to the Board and the company's management. In 2018, topics of discussion included company strategy and performance, our reorganization, executive compensation, board diversity and refreshment, corporate governance policies and corporate responsibility.

Communications with our Board

Stockholders and other interested parties may write to the Chair of the Board (who acts as the lead independent director), the entire Board or any of its members at CBRE Group, Inc., c/o Laurence H. Midler, Executive Vice President, General Counsel and Secretary, 400 South Hope Street, 25th Floor, Los Angeles, California 90071 or via email to *larry.midler@cbre.com*. The Board considers stockholder questions and comments to be important and endeavors to respond promptly and appropriately, even though the Board may not be able to respond to all stockholder inquiries directly.

The Board has developed a process to assist with managing inquiries and communications. The General Counsel will review any stockholder communications and will forward to the Chair of our Board, our Board or any of its members a summary and/or copies of any such correspondence that deals with the functions of our Board or committees thereof or that the General Counsel otherwise determines requires their attention. Certain circumstances may require that our Board depart from the procedures described above, such as the receipt of threatening letters or e-mails or voluminous inquiries with respect to the same subject matter.

Table of Contents

CORPORATE GOVERNANCE

Submission of Stockholder Proposals and Board Nominees

If you would like to include a proposal for stockholder consideration in our 2020 proxy statement or bring business before our annual meeting of stockholders in 2019, you must send notice to Laurence H. Midler, Secretary, CBRE Group, Inc., 400 South Hope Street, 25th Floor, Los Angeles, California 90071, by registered, certified, or express mail and provide the required information and follow the other procedural requirements described below.

Stockholder Proposals for Inclusion in the 2020 Proxy Statement. Stockholders who wish to present a proposal in accordance with SEC Rule 14a-8 for inclusion in our proxy materials to be distributed in connection with our 2020 annual meeting of stockholders must submit their proposals in accordance with that rule so that they are received by the Secretary at the address set forth above no later than the close of business on December 6, 2019. If the date of our 2020 annual meeting is more than 30 days before or after May 17, 2020, then the deadline to timely receive such material shall be a reasonable time before we begin to print and send our proxy materials. Failure to deliver a proposal in accordance with this procedure may result in it not being deemed timely received. As the rules of the SEC make clear, simply submitting a timely proposal does not guarantee that it will be included in our proxy materials.

Stockholder Director Nominations for Inclusion in the 2020 Proxy Statement. Our by-laws permit any stockholder, or group of up to 20 stockholders, who has beneficially owned 3% or more of our outstanding common stock continuously for at least three years to submit director nominations to be included in our proxy materials. The maximum number of director nominees included in our proxy pursuant to this process (known as proxy access) shall be the greater of (i) 20% of the total number of directors serving in office at the deadline for nominations (rounded down to the nearest whole number) and (ii) two. The notice required to nominate a director for the 2020 annual meeting through this proxy access process must be delivered to (or mailed to and received at) the address set forth above no later than February 17, 2020 and no earlier than January 18, 2020, unless our 2020 annual meeting of stockholders is to be held more than 30 days before, or more than 70 days after, May 17, 2020, in which case the stockholder's notice must be delivered not earlier than the close of business on the 120th day prior to the 2020 annual meeting and not later than the close of business on the later of the 90th day prior to the 2020 annual meeting or the 10th day after public announcement of the date of the 2020 annual meeting is first made. The notice must set forth the information required by our by-laws with respect to each

proxy access director nomination that eligible stockholder or stockholders intend to present at the 2020 annual meeting and must otherwise be in compliance with our by-laws.

Other Stockholder Proposals or Nominations for Presentation at the 2020 Annual Meeting. If a stockholder wishes to bring business to a meeting for consideration other than a matter brought pursuant to SEC Rule 14a-8, the stockholder must give our Secretary written notice of the stockholder's intent to do so and provide the information required by the provision of our by-laws dealing with stockholder proposals. In addition, our by-laws allow stockholders to nominate one or more persons for election as directors outside of the proxy access process described above (although doing so relieves the company of the obligation to include a director nominee in the proxy materials prepared for the relevant stockholders meeting). The notice of such a proposal or director nomination must be delivered to (or mailed to and received at) the address set forth above no later than February 17, 2020 and no earlier than January 18, 2020, unless our 2020 annual meeting of stockholders is to be held more than 30 days before, or

more than 70 days after, May 17, 2020, in which case the stockholder's notice must be delivered not earlier than the close of business on the 120th day prior to the 2020 annual meeting and not later than the close of business on the later of the 90th day prior to the 2020 annual meeting or the 10th day after public announcement of the date of the 2020 annual meeting is first made. In the event that the number of directors to be elected at the annual meeting is increased and no public announcement naming all of the nominees or specifying the size of the increased Board has been made by February 7, 2020, then notice of a stockholder's nomination to fill the new position or positions may be delivered to (or mailed to and received at) the address set forth above no later than the close of business on the 10th day after public announcement of such increase is first made. The requirements for such stockholder's notice are set forth in our by-laws, which are posted in the Corporate Governance section of the Investor Relations page on our website at www.cbre.com. We will submit all candidates nominated by a stockholder pursuant to the procedures and requirements outlined in this Other Stockholder Proposals or Nominations for Presentation at the 2020 Annual Meeting section to the Governance Committee for its review, and this submission may include an analysis of the candidate from our management. Any stockholder making a nomination in accordance with the foregoing process will be notified of the Governance Committee's decision.

24 *CBRE - 2019 Proxy Statement*

Table of Contents

PROPOSAL 2 RATIFY APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit and Finance Committee of our Board appointed KPMG LLP as our independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending December 31, 2019. During 2018, KPMG LLP served as our independent accountant and reported on our consolidated financial statements for that year. KPMG LLP has been our independent auditor at all times since 2008.

The Audit and Finance Committee periodically considers whether to rotate our independent auditor in order to assure continuing auditor independence. The Board and the members of the Audit and Finance Committee believe that the continued retention of KPMG LLP as the company's independent auditor in fiscal year 2019 is in the best interests of the company and its stockholders.

We expect that representatives of KPMG LLP will attend the Annual Meeting and will have the opportunity to make a statement if they so desire and to respond to appropriate questions.

Although stockholder ratification is not required, the appointment of KPMG LLP is being submitted for ratification at the Annual Meeting with a view towards soliciting stockholders' opinions, which the Audit and Finance Committee will take into consideration in future deliberations. If KPMG LLP's selection is not ratified at the Annual Meeting, the Audit and Finance Committee will consider the engagement of other independent accountants. The Audit and Finance Committee may terminate KPMG LLP's engagement as our independent accountant without the approval of our stockholders whenever the Audit and Finance Committee deems termination appropriate.

Required Vote

Approval of this Proposal 2 requires the affirmative vote (*i.e.*, FOR votes) of a majority of the shares present or represented and entitled to vote thereon at our 2019 Annual Meeting. A vote to ABSTAIN will count as present for purposes of this proposal and so will have the same effect as a vote AGAINST this proposal. In the absence of instructions, your broker may vote your shares on this proposal. For more information, see General Information about the Annual Meeting Voting Instructions and Information If you do not vote/effect of broker non-votes on page 83.

Recommendation

Our Board recommends that stockholders vote FOR ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

Table of Contents**AUDIT AND OTHER FEES**

The following table shows the fees for audit and other services provided by KPMG LLP for the fiscal years ended December 31, 2018 and 2017 (in millions):

Fees	Fiscal 2018	Fiscal 2017
Audit Fees	\$ 12.5	10.7
Audit-Related Fees	2.7	2.5
Tax Fees	1.1	1.1
All Other Fees		
Total Fees	\$ 16.3	14.3

A description of the types of services provided in each category is as follows:

Audit Fees Includes fees associated with the audit of our annual financial statements, review of our annual report on Form 10-K and quarterly reports on Form 10-Q, statutory audits, and consents and assistance with and review of registration statements filed with the SEC. In addition, audit fees include those fees related to KPMG LLP's audit of the effectiveness of our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act.

Audit-Related Fees Includes fees associated with the audit of our employee benefit plans, accounting consultations related to GAAP and the application of GAAP to proposed transactions. In addition, audit-related fees include those fees related to KPMG LLP's audit of the effectiveness of our internal controls over client accounting.

Tax Fees Includes fees associated with tax compliance at international locations, domestic and international tax advice and planning and assistance with tax audits and appeals.

Audit and Finance Committee Pre-Approval Process

The Audit and Finance Committee is responsible for overseeing and approving our independent auditor's fees, and pre-approves all audit and permissible non-audit services provided by our independent auditor. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. Our independent auditors and management

are required to periodically report to the Audit and Finance Committee regarding the extent of services provided by the independent auditor in accordance with this pre-approval process and the fees for the services performed to date. In certain one-off cases, the Audit and Finance Committee Chair (on behalf of the Audit and Finance Committee) may also pre-approve particular services, with that pre-approval subject to subsequent Audit and Finance Committee ratification.

Audit and Finance Committee Report