CBRE GROUP, INC.
Form DEF 14A
April 04, 2017
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# 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:

400 South Hope Street, 25th Floor

Los Angeles, California 90071

(213) 613-3333

April 4, 2017

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 19, 2017, at 121 South Tejon Street, Suite 900, Colorado Springs, Colorado at 8:30 a.m. (Mountain 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*

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# Notice of 2017 Annual Meeting

# of Stockholders

**May 19, 2017**

**8:30 a.m. (Mountain Time)**

***121 South Tejon Street, Suite 900, Colorado Springs, Colorado***

**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, 2017;

3. Conduct an advisory vote on named executive officer compensation for the fiscal year ended December 31, 2016;

4. Conduct an advisory vote on the frequency of future advisory votes on named executive officer compensation;

5. Approve the 2017 Equity Incentive Plan; and

6. Transact any other business properly introduced at the Annual Meeting.

Only stockholders of record as of March 20, 2017 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 20, 2017.

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, 2017**

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, 2017.

References in this Proxy Statement to CBRE, the company, we, us or our refer to CBRE Group, Inc. and includ 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, 2016, 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*.

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**Proxy Summary Information**

To assist you in reviewing the proposals to be voted upon at our 2017 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, 2016. 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 20, 2017 may cast their votes in any of the following ways:

| Internet | Phone | Mail | In Person |
|---|---|---|---|
| Visit *www.proxyvote.com.* You will need the 16-digit number included in your proxy card, voter instruction form or notice. | 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. | Send your completed and signed proxy card or voter instruction form to the address on your proxy card or voter instruction form. | 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 20, 2017. |

## Voting Matters and Board Recommendation

| Proposal | Board Vote Recommendation |
|---|---|
| Elect Directors (page 6) | ü *FOR each Director Nominee* |
| Ratify the Appointment of Independent Registered Public Accounting Firm for 2017 (page 23) | ü *FOR* |
| Advisory Vote to Approve Named Executive Officer Compensation for 2016 (page 26) | ü *FOR* |
| Advisory Vote on the Frequency of Future Advisory Votes to Approve Named Executive Officer Compensation (page 27) | ü *1 YEAR* |
| Approve the 2017 Equity Incentive Plan (page 61) | ü *FOR* |

## Fiscal Year 2016 Business Highlights(1)

We are the world s largest commercial real estate services and investment firm, based on 2016 global revenue of $13.1 billion, with leading full-service operations in major metropolitan areas throughout the world. We provide services in the office, retail, industrial, multifamily and hotel sectors of commercial real estate.

Our service offering is supported by approximately 450 offices and more than 75,000 employees worldwide (excluding independent affiliates). We serve clients with people in more than 100 countries.
Our services include:

- commercial real estate services operating under the CBRE brand name;
- real estate investment management 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 2016 performance, please review our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. 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.*

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**PROXY SUMMARY INFORMATION**

In fiscal year 2016, we delivered strong results:

Our revenue totaled $13.1 billion, up 20% from 2015.

Our fee revenue totaled $8.7 billion, up 13% from 2015.[(2)(3)]

On a GAAP basis, net income for 2016 increased 5% to $572.0 million and earnings per diluted share rose 4% to $1.69 per share.

Our adjusted net income was $778.5 million, up 13% from 2015.[(3)]

Our adjusted earnings per share ( adjusted EPS ) was $2.30, up 12% from 2015.[(3)]

Our adjusted earnings before interest, taxes, depreciation and amortization ( adjusted EBITDA ) was $1.6 billion, up 10% from 2015.[(3)]
Our business mix continued to shift toward more recurring revenue with contractual fee revenue (which includes revenues from our Occupier-Outsourcing, Property Management, Investment Management and Valuation business lines) comprising approximately 42% of total fee revenue, up from 37% in 2015.[(3)]

We generated revenue from a well-balanced, highly-diversified base of clients. In 2016, our client roster included over 90 of the *Fortune 100* companies.

In 2016, we were ranked by *Forbes* as the 15th best employer in America, and in early 2017 for the fifth consecutive year, we were named a *Fortune* Most Admired Company in the real estate sector. This recognition reflects the strength of our brand and the high value we place on our people.

The following charts highlight our growth in adjusted EBITDA, adjusted net income and adjusted EPS for 2016 relative to 2015:

(2) Fee revenue is gross revenue less client reimbursed costs largely associated with our 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 and contractual fee revenue, (ii) net income computed in accordance with GAAP to adjusted EBITDA and (iii) net income computed in accordance with GAAP to adjusted net income and to adjusted EPS, in each case for the fiscal years ended December 31, 2016 and 2015, see Annex A to this Proxy Statement. We also refer to adjusted EBITDA, adjusted net income and adjusted EPS from time to time in our public reporting as EBITDA, as adjusted, net income attributable to CBRE Group, Inc., as adjusted and diluted income per share attributable to CBRE Group, Inc. shareholders, as adjusted, respectively. As described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, 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.

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**PROXY SUMMARY INFORMATION**

## Corporate Governance Highlights

| | |
|---|---|
| **Board Independence** | |
| Independent director nominees | 10 out of 11 |
| Independent Chair of the Board | Ray Wirta |
| **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 |

## 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 Since | Principal Occupation | Committees | Other Public Company Boards |
|---|---|---|---|---|---|
| Brandon B. Boze* | 36 | 2012 | Partner of Value Act Capital | CC, GC | 0 |
| Beth F. Cobert* | 58 | N/A | Former Senior Partner at McKinsey & Company | N/A | 0 |
| Curtis F. Feeny* | 59 | 2006 | Managing Director of Voyager Capital | AC, GC, EC | 1 |
| Bradford M. Freeman* | 75 | 2001 | Partner of Freeman Spogli & Co. Incorporated | CC, GC | 0 |
| Christopher T. Jenny* | 61 | 2016 | Senior Advisor to Parthenon-EY | AC, GC | 0 |
| Gerardo I. Lopez* | 57 | 2015 | President and Chief Executive Officer of Extended Stay America, Inc. | CC, GC | 2 |
| Frederic V. Malek* | 80 | 2001 | Chairman of Thayer Lodging Group | CC | 1 |

| | | | | | |
|---|---|---|---|---|---|
| Paula R. Reynolds* | 60 | 2016 | President and Chief Executive Officer of PreferWest, LLC | AC, CC | 3 |
| Robert E. Sulentic | 60 | 2012 | President and Chief Executive Officer of CBRE | EC | 1 |
| Laura D. Tyson* | 69 | 2010 | Distinguished Professor of the Graduate School, Walter A. Haas School of Business, University of California, Berkeley | AC | 2 |
| Ray Wirta* | 73 | 2001 | Chief Executive Officer of The Koll Company | EC | 0 |

**Independent Director*

*Board Chair*

*Key:*

*AC Audit and Finance Committee*

*CC Compensation Committee*

*EC Executive Committee*

*GC Corporate Governance and Nominating Committee*

(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 14.

# PROXY SUMMARY INFORMATION

## Executive Compensation Highlights

***Our Philosophy*** We design our compensation programs to attract and retain accomplished and high-performing executives and to motivate those executives to consistently achieve short- and long-term goals that will create sustainable growth in shareholder value. To do this, we focus a significant percentage of our executive officers compensation on both annual and long-term incentive awards intended to reflect 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 2016, we continued to place a significant percentage of our named executive officers total target direct compensation at risk, with incentive programs tied to financial and strategic performance measures and our stock price performance.

***Say on Pay*** We received strong support for our executive compensation from our stockholders at our 2016 annual meeting of stockholders, at which over 97% of the votes cast on the say on pay proposal were in favor of the 2015 compensation that we paid to our named executive officers.

***2016 Financial Performance*** We achieved strong overall financial and operational performance in 2016. Historically, our

Board has set aggressive targets to achieve strategic growth and increase shareholder value, and our 2016 operating plan assumed continued solid growth over 2015. In 2016, we slightly missed our internal growth target primarily due to generally softer market-wide property sales volumes, virtually no carried-interest income from our Global Investment Management business, and tepid global economic growth, as compared with our expectations when the growth targets were established. As we describe in greater detail under the heading Compensation Discussion and Analysis beginning on page 28, our overall performance directly affected a portion of the compensation of all of our named executive officers, and the performance of our Americas segment, Development Services segment, Global Investment Management segment and Global Workplace Solutions business directly affected a portion of the compensation for three of our named executive officers Calvin W. Frese, Jr. (our Global Group President, Geographies, and formerly our CEO Americas), T. Ritson Ferguson (the CEO of CBRE Global Investors) and William F. Concannon (our CEO Global Workplace Solutions).

***2016 Compensation*** Set forth below is the 2016 compensation for our named executive officers and the principal capacity in which they served as of December 31, 2016. See the footnotes accompanying the Summary Compensation Table on page 48 for more information.

| Name and Principal Position | Year | Salary ($) | Bonus ($) | Stock Awards ($) | Non-Equity Incentive Plan | All Other Compensation | Total ($) |
|---|---|---|---|---|---|---|---|

| | | | | | Compensation ($) | ($) | |
|---|---|---|---|---|---|---|---|
| Robert E. Sulentic<br><br>President and Chief Executive Officer | 2016 | 990,000 | 500,000 | 2,062,494 | 1,403,800 | 4,500 | 4,960,794 |
| James R. Groch<br><br>Chief Financial Officer and Global<br><br>Director of Corporate Development | 2016 | 770,000 | 300,000 | 1,499,982 | 1,081,700 | 4,500 | 3,656,182 |
| T. Ritson Ferguson<br><br>Chief Executive Officer CBRE Global Investors | 2016 | 800,000 | 756,713(1) | 3,799,883(2) | 446,500 | 4,500 | 5,807,596 |
| Michael J. Lafitte<br><br>Global Group President, Lines of Business and Client Care | 2016 | 700,000 | 350,000 | 1,159,972 | 992,600 | 4,500 | 3,207,072 |
| Calvin W. Frese, Jr.<br><br>Global Group President, Geographies | 2016 | 680,000 | 300,000 | 1,124,994 | 957,700 | 4,500 | 3,067,194 |
| William F. Concannon(3)<br><br>Chief Executive Officer Global Workplace Solutions | 2016 | 675,000 | 300,000 | 1,024,989 | 848,900 | 4,500 | 2,853,389 |

(1) Includes payment upon vesting of bonus amounts earned by Mr. Ferguson in prior years that were required to be deferred. For more information, please see the footnotes accompanying the Summary Compensation Table on page 48.

(2) Includes a one-time equity incentive award with a target grant date value of $3,000,000 in connection with the Amended and Restated Employment Agreement we entered into with Mr. Ferguson, effective January 1, 2016. For more information regarding Mr. Ferguson s compensation arrangements under his Amended and Restated Employment Agreement, see Executive Compensation Employment Agreements on page 49.

(3) We have voluntarily elected to name Mr. Concannon in this Proxy Statement as an additional named executive officer.

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## 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, except for Ms. Cobert, currently are directors. 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 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.

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 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.

The Governance Committee looks for its current and potential directors collectively to have a mix of skills, experience and qualifications, some of which are described above and below. The Governance Committee also considers whether a potential candidate would likely satisfy the independence requirements described below.

Our by-laws provide that the 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.

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 14.

**PROPOSAL 1**

**Directors Skills and Qualifications**

Our Governance Committee has developed a range of criteria for considering Board candidates. In addition to the criteria listed above regarding our 2017 nominees, our Board is 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, as well as varied and relevant career experiences and technical skills, and having a Board that is diverse as a whole. In addition, a majority of the Board must be independent as determined by the Board, consistent with its 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 ).

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 13 for more information.

**2017 Director Nominees**

***Brandon B. Boze***

**Age: 36**

**Director Since: December 2012**

**Board Committees:** Compensation
Governance

Mr. Boze is a Partner at ValueAct Capital, a privately-owned investment firm. Prior to joining ValueAct Capital in August 2005, 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 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: 58**

**Director Since: Not Applicable**

**Board Committee:** Not Applicable

Ms. Cobert 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, not-for-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.

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**PROPOSAL 1**

***Curtis F. Feeny***

**Age: 59**

**Director Since: December 2006**

| | |
|---|---|
| **Board Committees:** | Audit and Finance (Chair)<br>Governance<br>Executive |

Mr. Feeny has been a Managing Director of Voyager Capital, a venture capital firm, since January 2000. 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. He is a member of the board of directors of Staples, Inc. and previously served on the board of directors of 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.

***Bradford M. Freeman***

**Age: 75**

**Director Since: July 2001**

| | |
|---|---|
| **Board Committees:** | Compensation<br>Governance |

Mr. Freeman is a founding partner of Freeman Spogli & Co. Incorporated, a private investment company founded in 1983.

**Qualifications, Attributes, Skills and Experience:**

Mr. Freeman brings experience in the capital markets and securities business to our Board, in addition to his operating experience from running a large investment management company engaged in mergers and acquisitions, and a broad knowledge of our business through his many years of experience on our Board. He previously served on the board of directors of Edison International. Mr. Freeman holds a B.A. from Stanford University and an M.B.A. from Harvard Business School.

***Christopher T. Jenny***

**Age: 61**

**Director Since: January 2016**

| | |
|---|---|
| **Board Committees:** | Audit and Finance<br>Governance (Chair) |

Mr. Jenny has served as a Senior Advisor to Parthenon-EY since January 2016 and was a Senior Managing Director at Parthenon-EY from August 2014 through December 2015. He previously served as President and Senior Partner with The Parthenon Group LLC, a Boston-based private management consulting and management firm, from 1995 to 2014 prior to its merger with Ernst & Young in August 2014. Prior to joining The Parthenon Group LLC in 1995, Mr. Jenny was a Partner at Bain & Company, Inc., a global business strategy consulting firm.

**Qualifications, Attributes, Skills and Experience:**

Mr. Jenny brings to our Board more than twenty years of experience as a consultant in business strategy, and has worked on issues related to business-unit strategy, profit improvement and mergers and acquisitions. In addition, he has experience as a senior operating executive and has managed portfolio companies for two of the nation s leading private-equity firms. He is a member of the board of directors of The Guardian Life Insurance Company of America, Mobile Virtual Player and PLT4M. He previously served on the board of directors of Mac-Gray Corporation. Mr. Jenny holds a B.A. from Dartmouth College and an M.B.A. from Harvard Business School.

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**PROPOSAL 1**

*Gerardo I. Lopez*

**Age: 57**

**Director Since: October 2015**

**Board Committees:** Compensation
Governance

Mr. Lopez has served as the President and Chief Executive Officer of Extended Stay America, Inc. and its paired-share REIT, ESH Hospitality, Inc., since August 2015. 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 is a member on the board of directors of Extended Stay America, Inc. and Brinker International, Inc., and previously served on the board of directors of 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.

*Frederic V. Malek*

**Age: 80**

**Director Since: September 2001**

**Board Committee:** Compensation (Chair)

Mr. Malek serves as Chairman of Thayer Lodging Group, which he founded in 1991 and which is a sponsor of private hotel real estate investment trusts.

**Qualifications, Attributes, Skills and Experience:**

Mr. Malek has experience in real estate investments and a broad knowledge of our business from his many years of

experience on our Board. He also brings to our Board operational experience as a former president of Marriott International, Inc., and is knowledgeable in corporate finance and experienced as an audit committee member. He is a member of the board of directors of Dupont Fabros Technology, Inc., and previously served on the board of directors of Automatic Data Processing Corp., the Federal National Mortgage Association, Northwest Airlines Corporation and FPL Group, Inc. Mr. Malek holds a B.S. from the U.S. Military Academy at West Point and an M.B.A. from Harvard Business School.

***Paula R. Reynolds***

**Age: 60**

**Director Since: March 2016**

| | |
|---|---|
| Board Committees: | Audit and Finance<br>Compensation |

Ms. Reynolds has been the Chief Executive Officer and President of PreferWest, LLC, a business advisory group, since September 2009. She was Vice Chairman and Chief Restructuring Officer of American International Group from October 2008 to September 2009, where she oversaw its divestiture of assets and served as chief liaison to the Federal Reserve Bank of New York. From 2006 to 2008, she served as President and Chief Executive Officer of Safeco Corporation, a casualty insurance company, until its acquisition by Liberty Mutual Group. Ms. Reynolds was Chairman of AGL Resources from 2002 to 2005 and its President and Chief Executive Officer from 2000 to 2005. She was President and Chief Operating Officer of Atlanta Gas Light Company, a wholly-owned subsidiary of AGL Resources, from 1998 to 2000.

**Qualifications, Attributes, Skills and Experience:**

Ms. Reynolds brings to our Board experience from serving as an executive officer and director of a number of global public companies and a long career in a variety of operational and corporate roles in the energy sector. Ms. Reynolds currently serves on the board of directors of BP p.l.c., BAE Systems plc and TransCanada Corporation. She is also a member of the Board of Trustees of the Fred Hutchinson Cancer Research Center. She previously served on the board of directors of Anadarko Petroleum Corporation, Delta Air Lines, Inc., Safeco Corporation, Coca-Cola Enterprises, Inc. and Air Products and Chemicals Inc. She holds a B.A. from Wellesley College.

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**PROPOSAL 1**

*Robert E. Sulentic*

**Age: 60**

**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 (EMEA) 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 is the Independent Board Chair 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.

*Laura D. Tyson*

**Age: 69**

**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. and Silver Spring Networks, Inc. She also serves as Chair of the Board of Trustees of the Blum Center for Developing Economies at the University of California, Berkeley and is a member of the board of directors of the non-profit Jacobs Foundation. She previously served on the board of directors of Eastman Kodak Company and Morgan Stanley. Dr. Tyson holds a B.A. from Smith College and a Ph.D. in Economics from the Massachusetts Institute of Technology.

***Ray Wirta***

**Age: 73**

**Director Since: September 2001**

**Independent Chair of our Board**

**Board Committee:** Executive (Chair)

Mr. Wirta has been the Independent Chair of our Board since May 2014 and was previously the Vice Chair of our Board from November 2013 to May 2014. He has served as the President of the Investment Properties Group at the Irvine Company since June 2010 and as Chief Executive Officer of The Koll Company since November 2009. 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 real estate investment management and development 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.

The following summarizes the independence and tenure of our 2017 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.**

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## 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 (our Adjusted EPS Equity Awards) | Annual election of all directors |
| Director Term Limits (12 years[2]) | Annual say on pay votes, with most recent favorable say on pay vote of over 97% | Majority voting requirement for directors in uncontested elections |
| Independent Chair of the Board | Stock ownership requirements for directors and executive officers | Stockholder rights to call special 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 | | |
| 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 6.

[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 14.

## 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 2018 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 6. 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 21.

### *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 21. As discussed under Stockholder Director Nominations for Inclusion in the 2018 Proxy Statement on page 22, 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 the Corporate Governance Guidelines and the 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.

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## 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 10 directors, all of whom have been nominated for re-election.

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 to increase the size of the Board to 11 members effective as of the date of the Annual Meeting. Ms. Cobert has been nominated by our Board to fill the

additional board seat. 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.

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## 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 internal processes and strong internal controls.

Our Board regularly reviews information regarding our credit, liquidity, operations and significant corporate and capital market transactions, as well as the risks associated with each. 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 several other key senior executives responsible for identifying, assessing and managing our most significant risks. This executive risk committee reports to the CEO, and a detailed presentation is given on identified significant risks in connection with an annual General Counsel Report 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 Ethics and Compliance Officer, our Global Director of Assurance & Advisory, our Chief Digital & Technology Officer as well as updates from our General Counsel 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 2016 to review significant developments, engage in strategic planning and act on matters requiring Board approval. In 2016, each incumbent director attended at least 80% 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 2016.

Our Board currently has four standing committees that met or acted by written consent during fiscal year 2016: the Audit and Finance Committee, the Compensation Committee, the Governance Committee and the Executive Committee.

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## 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 2016:

| Director | Board | Audit and Finance | Compensation | Governance | Executive |
|---|---|---|---|---|---|
| Brandon B. Boze | ü | | ü | ü | |
| Curtis F. Feeny | ü | CHAIR | | ü | ü |
| Bradford M. Freeman | ü | | ü | ü | |
| Christopher T. Jenny | ü | ü | | CHAIR | |
| Gerardo I. Lopez | ü | | ü | ü | |
| Frederic V. Malek | ü | | CHAIR | | |
| Paula R. Reynolds | ü | ü | ü | | |
| Robert E. Sulentic | ü | | | | ü |
| Laura D. Tyson | ü | ü | | | |
| Ray Wirta | CHAIR | | | | CHAIR |
| *Number of Meetings* | 6 | 8 | 3 | 3 | 0(1) |

(1) Our Executive Committee did not hold any formal meetings in 2016, but acted six times by unanimous written consent.

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 Ethics and Compliance Officer, our Global Director of Assurance & Advisory 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 6.

***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 Committee s processes for determining executive compensation, see the Compensation Discussion and Analysis section of this Proxy Statement beginning on page 28.

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***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 directors attended our 2016 annual meeting of stockholders on May 13, 2016.

**Compensation Committee Interlocks and Insider Participation**

The members of the Compensation Committee are set forth in the table on page 16. None of Messrs. Boze, Freeman, Lopez, Malek, or Ms. Reynolds has ever been an officer or employee of the company or any of its subsidiaries. In addition, during 2016, 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**

Our director compensation policy provides for the following annual compensation for each of our non-employee directors:

a $75,000 annual cash retainer;

a restricted stock unit grant for a number of shares equal to $150,000 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 $15,000;

the Chair of the Governance Committee and the Chair of the Compensation Committee each receives an additional annual cash retainer of $10,000; and

each non-employee director who serves on any of our Board committees receives 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 55. 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 also has 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 20.

## CORPORATE GOVERNANCE

The following table provides information regarding compensation earned during the fiscal year ended December 31, 2016 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 28 and under Executive Compensation beginning on page 48. 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, 2016.

| Name | Fees Earned or Paid in Cash[1] ($) | Stock Awards[2][3] ($) | Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) | Total ($) |
|---|---|---|---|---|
| Richard C. Blum[4] | | | | |
| Brandon B. Boze | 81,000 | 149,996 | | 230,996 |
| Curtis F. Feeny | 101,000 | 149,996 | | 250,996 |
| Bradford M. Freeman[5] | 80,000 | 149,996 | 3,660 | 233,656 |
| Christopher T. Jenny[6] | 118,205 | 200,404 | | 318,609 |
| Michael Kantor[4][5] | 1,000 | | 542 | 1,542 |
| Gerardo I. Lopez[5] | 79,000 | 149,996 | 89 | 229,085 |
| Frederic V. Malek[5] | 88,000 | 149,996 | 2,891 | 240,887 |
| Paula R. Reynolds[7] | 95,320 | 176,616 | | 271,936 |
| Laura D. Tyson | 81,000 | 149,996 | | 230,996 |
| Gary L. Wilson[4][5] | 4,000 | | 1,326 | 5,326 |
| Ray Wirta | 75,000 | 149,996 | | 224,996 |

(1) Includes fees associated with the annual Board service retainer, attendance at committee meetings 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 2016. See also Note 2 Significant Accounting Policies and Note 12 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, 2016 for a discussion of the valuation of our stock awards.

(3)

Each of Ms. Reynolds, Dr. Tyson and Messrs. Boze, Feeny, Freeman, Jenny, Lopez, Malek and Wirta was awarded 5,230 restricted stock units pursuant to our director compensation policy, valued at the fair market value of our common stock of $28.68 per share on the award date of May 13, 2016.

(4) Messrs. Blum, Kantor and Wilson retired from our Board in May 2016.

(5) 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 55.

Mr. Freeman deferred a total of $80,000 of his 2016 cash compensation. During 2016, Mr. Freeman s total deferred account balance (which included amounts deferred during 2016 as well as amounts deferred from prior years) accrued interest at an annualized rate of 4.0% for the period from January 1, 2016 through March 31, 2016, 3.9% for the period from April 1, 2016 through June 30, 2016, 3.6% for the period from July 1, 2016 through September 30, 2016 and 3.3% for the period from October 1, 2016 through December 31, 2016. Mr. Freeman s total accrued interest for 2016 was $14,619.

Mr. Kantor did not make any deferrals of his 2016 cash compensation. During 2016, Mr. Kantor s total deferred account balance (which included amounts deferred from prior years) accrued interest at an annualized rate of 4.0% for the period from January 1, 2016 through March 31, 2016, 3.9% for the period from April 1, 2016 through June 30, 2016 and 3.6% for the period from July 1, 2016 through September 30, 2016. No interest accrued during the fourth quarter of 2016. We distributed the deferred account balance under our Deferred Compensation Plan in accordance with Mr. Kantor s prior election following his retirement from our Board in May 2016. Mr. Kantor s total accrued interest for 2016 was $2,288.

Mr. Lopez deferred a total of $37,500 of his 2016 cash compensation. During 2016, Mr. Lopez s total deferred account balance accrued interest at an annualized rate of 3.6% for the period from July 1, 2016 through September 30, 2016 and 3.3% for the period from October 1, 2016 through December 31, 2016. Mr. Lopez s total accrued interest for 2016 was $309.

Mr. Malek deferred a total of $88,000 of his 2016 cash compensation. During 2016, Mr. Malek s total deferred account balance (which included amounts deferred during 2016 as well as amounts deferred from prior years) accrued interest at an annualized rate of 4.0% for the period from January 1, 2016 through March 31, 2016, 3.9% for the period from April 1, 2016 through June 30, 2016, 3.6% for the period from July 1, 2016 through September 30, 2016 and 3.3% for the period from October 1, 2016 through December 31, 2016. Mr. Malek s total accrued interest for 2016 was $11,513.

Mr. Wilson deferred a total of $4,000 of his 2016 cash compensation. During 2016, Mr. Wilson s total deferred account balance (which included amounts deferred during 2016 as well as amounts deferred from prior years) accrued interest at an annualized rate of 4.0% for the period from January 1, 2016 through March 31, 2016, 3.9% for the period from April 1, 2016 through June 30, 2016 and 3.6% for the period from July 1, 2016 through September 30, 2016. No accrued interest accrued during the fourth quarter of 2016. We distributed the deferred account balance under our Deferred Compensation Plan in accordance with Mr. Wilson s prior election following his retirement from our Board in May 2016. Mr. Wilson s total accrued interest for 2016 was $5,595.

In accordance with SEC rules regarding above-market interest on non-qualified deferred compensation, accrued interest for 2016 of $3,660, $542, $89, $2,891 and $1,326 for Messrs. Freeman, Kantor, Lopez, Malek and Wilson, respectively, 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.

(6) Mr. Jenny was appointed to our Board on January 12, 2016 and as such received pro-rated director compensation for 2016. The pro-rated portion of his annual cash retainer under our director compensation policy was $25,205 and the pro-rated portion of his equity grant was 1,662 restricted stock units, valued at the fair market value of our common stock of $30.33 per share on the award date of January 12, 2016.

(7) Ms. Reynolds was appointed to our Board on March 10, 2016 and as such received pro-rated director compensation for 2016. The pro-rated portion of her annual cash retainer under our director compensation policy was $13,320 and the pro-rated portion of her equity grant was 1,003 restricted stock units, valued at the fair market value of our common stock of $26.54 per share on the award date of March 10, 2016.

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, 2016:

| Name | Aggregate Number of Stock Awards Outstanding | Aggregate Number of Shares Underlying Options Outstanding |
|---|---|---|
| Richard C. Blum | | |
| Brandon B. Boze | 5,230 | |
| Curtis F. Feeny | 5,230 | 5,056 |
| Bradford M. Freeman | 5,230 | 5,056 |
| Christopher T. Jenny | 5,230 | |
| Michael Kantor | | |
| Gerardo I. Lopez | 5,230 | |
| Frederic V. Malek | 5,230 | 5,056 |
| Paula R. Reynolds | 5,230 | |
| Laura D. Tyson | 5,230 | 5,852 |
| Gary L. Wilson | | |
| Ray Wirta | 5,230 | 5,056 |

**Corporate Governance Guidelines and Code of Ethics**

Our Board has adopted Standards of Business Conduct applicable to our directors, officers and employees as well as a Code of Ethics for Senior Financial Officers applicable to our CEO, Chief Financial Officer and Chief Accounting Officer. 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 71.

*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.* Our Board has adopted a policy to ensure that equity awards issued under our equity incentive plans are duly approved by our independent Compensation Committee. In addition, the grant date and grant date fair market value cannot precede the date on which the Compensation Committee actually approves the issuance of the award.

*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 44.

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## CORPORATE GOVERNANCE

Current copies of our Board s Standards of Business Conduct, Code of Ethics for Senior Financial Officers, 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 or the Code of Ethics for Senior Financial Officers 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 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 these requirements are 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 minimum common stock ownership requirements of two to five times their annual base salary. The CEO s minimum ownership requirement is five times his annual base salary, and the minimum ownership requirement for our other named executive officers for 2016 is three times their annual base salary. If at any time an executive officer s equity holdings do not satisfy these 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); 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 and Sustainability**

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 constituents. The seven pillars of our Corporate Responsibility program are:

- Environmental Sustainability
- Communities and Giving
- People and Culture
- Health and Safety
- Ethics and Compliance
- Governance
- Procurement

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.

In 2016 and in early 2017, 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 third year in a row. Inclusion in this index is based on an assessment of a company s financially material environmental, social and governance factors.

For the fourth consecutive year, we were named as one of the World s Most Ethical Companies by Ethisphere Institute, a leading international organization dedicated to the creation, advancement and sharing of best practices in business ethics, governance, anti-corruption and sustainability.

For the fourth consecutive year, we achieved a perfect score on the Human Rights Campaign s 2017 Corporate Equality Index and were designated as a Best Place to Work for Lesbian, Gay, Bisexual and Transgender Equality.

We received the U.S. Environmental Protection Agency s 2016 Energy Star Sustained Excellence Award, which was our ninth consecutive year of Partner of the Year recognition.

For the tenth consecutive year, we were named to the Companies That Care Honor Roll by The Center for Companies That Care, which recognizes organizations that demonstrate 10 Characteristics of Socially Responsible Employers through their daily business practices.

We were named to the 100 Best Corporate Citizens List by Corporate Responsibility Magazine, which recognizes companies for their commitments to transparency and accountability.

We received the 2016 Global Outsourcing Social Responsibility Impact Award, which is conferred by the International Association of Outsourcing Professionals and Information Services Group. The award recognizes service provider excellence in Corporate Social Responsibility and exemplary leadership in programs that foster community, workplace training, communication, environment, and giving.

To learn more about our corporate responsibility and sustainability efforts, please view our Corporate Responsibility Report on *www.cbre.com/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.

**Submission of Stockholder Proposals and Board Nominees**

If you would like to include a proposal for stockholder consideration in our 2018 proxy statement or bring business before our annual meeting of stockholders in 2018, 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 as described below.

***Stockholder Proposals for Inclusion in the 2018 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 2018 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 5, 2017. If the date of our 2018 annual meeting is more than 30 days before or after May 19, 2018, 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

**CORPORATE GOVERNANCE**

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 2018 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 2018 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 18, 2018 and no earlier than January 19, 2018, unless our 2018 annual meeting of stockholders is to be held more than 30 days before, or more than 70 days after, May 19, 2018, in which case the stockholder s notice must be delivered not earlier than the close of business on the 120th day prior to the 2018 annual meeting and not later than the close of business on the later of the 90th day prior to the 2018 annual meeting or the 10th day after public announcement of the date of the 2018 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 2018 annual meeting and must otherwise be in compliance with our by-laws.

***Other Stockholder Proposals or Nominations for Presentation at the 2018 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 18, 2018 and no earlier than January 19, 2018, unless our 2018 annual meeting of stockholders is to be held more than 30 days before, or more than 70 days after, May 19, 2018, in which case the stockholder s notice must be delivered not earlier than the close of business on the 120th day prior to the 2018 annual meeting and not later than the close of business on the later of the 90th day prior to the 2018 annual meeting or the 10th day after public announcement of the date of the 2018 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 8, 2018, 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 2018 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.

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## 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, 2017. During 2016, 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 2017 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 2017 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 73.

**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, 2017.**

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## 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, 2016 and 2015 (in millions):

| Fees | | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|
| Audit Fees | $ | 9.6 | 7.5 |
| Audit-Related Fees | | 2.5 | 1.9 |
| Tax Fees | | 4.7 | 4.4 |
| All Other Fees | | | |
| Total Fees | $ | 16.8 | 13.8 |

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, financial due diligence in connection with acquisitions and 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 Committee) may also pre-approve particular services, with that pre-approval subject to subsequent Committee ratification.

**Audit and Finance Committee Report**

The Audit and Finance Committee consists of four directors, each of whom is independent under NYSE rules and applicable securities laws. The Board has determined that each member of the Audit and Finance Committee is financially literate as required under NYSE rules as well as an audit committee financial expert as described under Corporate Governance Board Meetings and Committees

Audit and Finance Committee on page 16. The Audit and Finance Committee operates under a written charter adopted by the Board a copy of which is published in the Corporate Governance section of the Investor Relations page of our website at *www.cbre.com.*

The Audit and Finance Committee assists the Board in fulfilling its responsibilities to our stockholders with respect

## AUDIT AND OTHER FEES

to our independent auditors, our corporate accounting and reporting practices, risk oversight and the quality and integrity of our financial statements and reports. The Audit and Finance Committee is directly responsible for overseeing the appointment, compensation, retention and oversight of the work of our independent auditor, and the Audit and Finance Committee and its chair oversee the selection of our independent auditor s lead engagement partner. In addition, the Audit and Finance Committee reviews and considers all potential related-party and corporate-opportunity transactions involving us and our directors and executive officers, and periodically reviews our balance sheet management, borrowing and capital markets activities as well as our merger-and-acquisition and co-investment performance.

The Audit and Finance Committee discussed with our independent auditors the scope, extent and procedures for the fiscal 2016 audit. Following completion of the audit, the Audit and Finance Committee met with our independent auditors, with and without management present, to discuss the results of their examinations, the cooperation received by the auditors during the audit examination, their evaluation of our internal controls over financial reporting and the overall quality of our financial reporting.

Management is primarily responsible for our financial statements, reporting process and systems of internal controls. In ensuring that our management fulfilled that responsibility, the Audit and Finance Committee reviewed and discussed with management the audited financial statements in the Annual Report on Form 10-K for the fiscal year ended December 31, 2016. Discussion topics included the quality and acceptability of the accounting principles, the reasonableness of significant judgments, the clarity of disclosures in the financial statements and an assessment of the work of the independent auditors.

The independent auditors are responsible for expressing an opinion on the conformity of the audited financial statements with GAAP. The Audit and Finance Committee reviewed and discussed with the independent auditors their judgments as to the quality and acceptability of our accounting principles and such other matters as are required to be discussed by Public Company Accounting Oversight Board Auditing Standard No. 16 Communications with Audit Committees and the Sarbanes-Oxley Act of 2002. In addition, the Audit and Finance Committee received from the independent auditors

written disclosures and a letter regarding their independence as required by applicable rules of the Public Company Accounting Oversight Board regarding the independent auditors communications with the Audit and Finance Committee, discussed with the independent auditors their independence from us and our management and considered the compatibility of non-audit services with the auditors independence.

Based on the reviews and discussions described above, the Audit and Finance Committee recommended to the Board (and the Board subsequently approved) the inclusion of the audited financial statements in the Annual Report on Form 10-K for the fiscal year ended December 31, 2016 for filing with the SEC.

In addition, the Audit and Finance Committee has appointed KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017. The Board concurred with the selection of KPMG LLP. The Board has recommended to our stockholders that they ratify and approve the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017.

In accordance with law, the Audit and Finance Committee is responsible for establishing procedures for the receipt, retention and treatment of complaints that we receive regarding accounting, internal accounting controls or auditing matters, including the confidential, anonymous submission of complaints by our employees received through established procedures of concerns regarding questionable accounting or auditing matters. The Audit and Finance Committee approved the establishment of an ethics and compliance program in 2004 and receives periodic reports from our Chief Ethics and Compliance Officer regarding that program.

**Audit and Finance Committee**

Curtis F. Feeny, *Chair*

Christopher T. Jenny

Paula R. Reynolds

Laura D. Tyson

Notwithstanding any statement in any of our filings with the SEC that might be deemed to incorporate part or all of any filings with the SEC by reference, including this Proxy Statement, the foregoing Report of the Audit and Finance Committee is not incorporated into any such filings.

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## PROPOSAL 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION

Our Board is committed to excellence in governance and recognizes the interest of our stockholders in our executive compensation program. As a part of that commitment, and in accordance with SEC rules, we are asking you to approve, on an advisory basis, a resolution on the compensation of the named executive officers as reported in this Proxy Statement. This proposal, commonly known as a say on pay proposal, gives you the opportunity to endorse or not endorse our 2016 executive compensation program and policies for our named executive officers.

In deciding how to vote on this proposal, our Board encourages you to review the Compensation Discussion and Analysis in this Proxy Statement beginning on page 28 for a detailed description of our executive compensation philosophy and programs.

This vote is not intended to address any specific item of compensation, but rather the overall compensation that was paid in 2016 to our named executive officers resulting from our compensation objectives, policies and practices as described in this Proxy Statement. Because your vote is advisory, it will not be binding upon the Board. However, the Board and the Compensation Committee value the opinions expressed by our stockholders and will review the voting results in connection with their ongoing evaluation of our executive compensation program.

The primary goal of our executive compensation program is to support our goal for operating the company to produce distinct advantages for our clients, employees and stockholders by creating real-estate solutions that drive our

long-term value and growth. To achieve this goal, we have designed an executive compensation program based on the following principles:

- *Paying for performance* A significant portion of each executive s potential compensation is at risk, with incentive programs tied to financial and strategic performance measures and our stock price performance. The financial measures may be at the global level, or based on a combination of global and segment performance, depending on the executive s position.

- *Alignment with the interests of stockholders* Equity awards (including those tied to our financial performance) and promoting stock ownership align our executives financial interests with those of our stockholders.

- *Attracting and retaining top talent* The compensation of our executives must be competitive so that we may attract and retain talented and experienced executives.

- *Transparency and corporate governance* It is critical to us that we are transparent and reflect best practices in corporate governance when establishing our executive compensation.

The text of the resolution in respect of Proposal 3 is as follows*:*

**RESOLVED**, that the compensation paid to our named executive officers for 2016 set forth in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables and narrative in this

Proxy Statement, as disclosed pursuant to Item 402 of Regulation S-K, is hereby approved on an advisory basis.

**Required Vote**

Approval of this Proposal 3 requires the affirmative vote (*i.e.*, FOR votes) of a majority of the shares present or represented and entitled to vote thereon at our 2017 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. A broker non-vote will not count as present, and so will have no effect in determining the outcome with respect to this proposal.

**Recommendation**

**Our Board recommends that stockholders vote FOR the advisory approval of the compensation of our named executive officers for the fiscal year ended December 31, 2016.**

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## PROPOSAL 4 ADVISORY VOTE ON THE FREQUENCY OF THE VOTE ON EXECUTIVE COMPENSATION

In accordance with SEC rules, we are seeking an advisory, non-binding determination from you as to the frequency with which our stockholders have an opportunity to provide an advisory approval of the compensation of our named executive officers. You may vote for a frequency of one, two or three years, or abstain.

The Board recommends that our stockholders select a frequency of 1 year, or an annual vote. The Board has determined that this frequency is appropriate because it will enable our stockholders to vote, on an advisory basis, on the most recent executive compensation information that is presented in our Proxy Statement, leading to a more meaningful and coherent communication between the

company and our stockholders on the compensation of our named executive officers. An annual advisory vote on executive compensation is consistent with our policy of seeking input from, and engaging in discussions with, our stockholders on corporate governance matters and our executive compensation philosophy, policies and practices on a frequent basis.

Because your vote is advisory, it will not be binding upon the Board. However, the Board and the Compensation Committee value the opinions expressed by our stockholders and will review the voting results in connection with their ongoing evaluation of our executive compensation program.

### Required Vote

The number of votes for 1 YEAR, 2 YEARS, 3 YEARS or ABSTAIN will be counted, and the frequency with highest number of votes will be the frequency that our stockholders approve. A vote to ABSTAIN will have no effect on the voting results of this proposal. A broker non-vote will also have no effect in determining the outcome with respect to this proposal.

### Recommendation

**Our Board recommends that stockholders vote for a frequency of 1 YEAR with respect to future advisory votes on executive compensation.**

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## COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis, or CD&A, provides you with detailed information regarding the material elements of compensation paid to our executive officers, including the considerations and objectives underlying our compensation policies and practices. Although our executive compensation program is generally applicable to all of our executive officers, this CD&A focuses primarily on the program as applied to the following executives (whom we refer to as named executive officers ), which executives served in the following principal capacities as of December 31, 2016:

| | |
|---|---|
| Robert E. Sulentic | President and CEO |
| James R. Groch | Chief Financial Officer and Global Director of Corporate Development |
| T. Ritson Ferguson | Chief Executive Officer CBRE Global Investors(1) |
| Michael J. Lafitte | Global Group President, Lines of Business and Client Care(2) |
| Calvin W. Frese, Jr. | Global Group President, Geographies(3) |
| William F. Concannon | Chief Executive Officer Global Workplace Solutions(4) |

(1) Prior to his promotion to CEO of CBRE Global Investors in March 2016, Mr. Ferguson served as the Chief Investment Officer of CBRE Global Investors, and as the co-Chief Investment Officer of CBRE Clarion Securities LLC.

(2) Prior to his promotion to Global Group President, Lines of Business and Client Care in June 2016, Mr. Lafitte served as our Chief Operating Officer.

(3) Prior to his promotion to Global Group President, Geographies in June 2016, Mr. Frese served as our CEO Americas.

(4) We have voluntarily elected to name Mr. Concannon in this Proxy Statement as an additional named executive officer.

### 2016 Executive Summary

### Business Highlights

In fiscal year 2016, we delivered strong results. Some highlights are as follows:

- Our revenue totaled $13.1 billion, up 20% from 2015.
- Our fee revenue[3] totaled $8.7 billion, up 13% from 2015.[4]
- On a GAAP basis, net income for 2016 increased 5% to $572.0 million and earnings per diluted share rose 4% to $1.69 per share.

Our adjusted net income was $778.5 million, up 13% from 2015.[4]

Our adjusted EPS was $2.30, up 12% from 2015.[4]

Our adjusted EBITDA was $1.6 billion, up 10% from 2015.[4]

Our business mix continued to shift toward more recurring revenue with contractual fee revenue (which includes revenues from our Occupier-Outsourcing, Property Management, Investment Management and Valuation business lines) comprising approximately 42% of total fee revenue, up from 37% in 2015.[4]

We generated revenue from a well-balanced, highly-diversified base of clients. In 2016, our client roster included over 90 of the *Fortune 100* companies.

In 2016, we were ranked by *Forbes* as the 15th best employer in America, and in early 2017 for the fifth consecutive year, we were named a *Fortune* Most Admired Company in the real estate sector. This recognition reflects the strength of our brand and the high value we place on our people.

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

4 For supplemental financial data and a corresponding reconciliation of (i) revenue computed in accordance with GAAP to fee revenue and contractual fee revenue, (ii) net income computed in accordance with GAAP to adjusted EBITDA and (iii) net income computed in accordance with GAAP to adjusted net income and to adjusted EPS, in each case for the fiscal years ended December 31, 2016 and 2015, please see Annex A to this Proxy Statement.

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The following charts highlight our growth in adjusted EBITDA, adjusted net income and adjusted EPS for 2016 relative to 2015:

**Executive Compensation Highlights**

We achieved strong overall financial and operational performance in 2016 over 2015. Historically, our Board has set aggressive targets to achieve strategic growth and increase shareholder value consistent with stockholder expectations of growth in profits each year, and our 2016 operating plan assumed continued solid growth over 2015. In 2016, we slightly missed our internal growth target primarily due to generally softer market-wide property sales volumes, virtually no carried-interest income from our Global Investment Management business, and tepid global economic growth, as compared with our expectations when the growth targets were established. Our overall performance directly affected a portion of the compensation of all of our named executive officers, and the performance of our Americas segment, Development Services segment, Global Investment Management segment and Global Workplace solutions business directly affected a portion of the compensation for three of our named executive officers Calvin W. Frese, Jr. (our Global Group President, Geographies, and formerly our CEO Americas), T. Ritson Ferguson (the CEO of CBRE

Global Investors) and William F. Concannon (our CEO Global Workplace Solutions).

Our pay philosophy emphasizes pay-for-performance through significant variable compensation tied to accomplishments against financial metrics and strategic measures relative to targets and goals. Due to our solid overall financial and operational performance in 2016, and after giving effect to each executive s strong performance on his respective strategic measures, the total direct cash compensation earned in respect of 2016 was above the target amounts established for our CEO and Messrs. Groch, Lafitte, Frese and Concannon. The total direct cash compensation earned in respect of 2016 for Mr. Ferguson (whose performance was tied in part to our Global Investment Management results) was below the target amount established for him.

Summarized on page 30 are the key components of our executive compensation program established and administered by the Board s Compensation Committee (which we shall refer to in this CD&A as the Committee ) with respect to our executive compensation program for the named executive officers for 2016.

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**COMPENSATION DISCUSSION AND ANALYSIS**

## COMPONENTS OF OUR EXECUTIVE COMPENSATION PROGRAM

*Titles indicated in the table below reflect the principal capacity in which the named executive officer served as of December 31, 2016.*

| Compensation Component | Description and Purpose | Committee Actions for 2016 |
|---|---|---|
| **Base Salary** | Provides a minimum level of fixed compensation necessary to attract and retain senior executives.<br><br>Set at a level that recognizes the skills, experience, leadership and individual contribution of each executive as well as the scope and complexity of the executive s role, including due consideration given to appropriate comparator group benchmarking. | In 2016, the Committee did not adjust base salaries for Messrs. Sulentic, Groch, Lafitte, Frese or Concannon.<br><br>The base salary of T. Ritson Ferguson, the CEO of CBRE Global Investors, was $800,000 in 2016. This base salary was established by the Amended and Restated Employment Agreement we entered into with Mr. Ferguson, effective January 1, 2016, in connection with his promotion to Chief Investment Officer of CBRE Global Investors. Mr. Ferguson s promotion to CEO of CBRE Global Investors in March 2016 did not result in an additional adjustment to this base salary. |
| **Annual Performance Awards** | Variable cash incentive opportunity tied to achievement of financial and individual strategic objectives.<br><br>The financial performance measure used to determine a significant portion of each executive s earned award is adjusted EBITDA as measured at the global level and, for each of our business lines, as measured at the segment or business level.<br><br>Each executive (except for Mr. Ferguson) had a target cash performance award opportunity, consisting of a financial portion (80% of the total award for 2016) and a strategic measures portion (20% of the total award for 2016).<br><br>Mr. Ferguson had a target cash performance award opportunity, | In 2016, the Committee did not increase the target annual performance award for Messrs. Sulentic, Groch, Lafitte, Frese or Concannon relative to 2015.<br><br>Global Adjusted EBITDA for 2016 was slightly below the target level. 2016 adjusted EBITDA for our Americas segment, which impacted Mr. Frese s earned bonus for 2016, was also slightly below the target level. 2016 Adjusted EBITDA for our Global Investment Management segment, which impacted Mr. Ferguson s earned bonus for 2016, was below the threshold level. 2016 Adjusted EBITDA for our Development Services segment, which also impacted Mr. Ferguson s earned bonus for 2016, was above the threshold level. Lastly, 2016 Adjusted EBITDA for our Global Workplace Solutions business was below the target level, which impacted Mr. Concannon s earned bonus for 2016. As a result, the financial adjustment factors for our named executive officers ranged from 0.0% to 200.0% |

| | | |
|---|---|---|
| | consisting of a financial portion (60% of the total award for 2016) and a strategic measures portion (40% of the total award for 2016).<br><br>Actual cash incentive awards earned can range from zero to 200% of target.<br><br>An executive may also earn a supplemental and discretionary bonus award in cases of exceptional and exceedingly deserving circumstances. | Each named executive officer exceeded their strategic performance objectives resulting in strategic adjustment factors ranging from 125% to 140%.<br><br>In addition, the Committee approved supplemental awards for Messrs. Sulentic, Groch, Lafitte, Frese and Concannon under our Executive Bonus Plan in recognition of their contributions to among other things, our record financial performance in 2016.<br><br>For more detail on each named executive officer s target bonus opportunity and the performance factors considered in determining actual earned bonuses for 2016, please refer to the discussion beginning on page 37 in this CD&A. |
| **Long-Term Incentives** | Annual grants of restricted stock units intended to align the interests of our executives with those of stockholders over a multi-year period, and to support executive retention objectives.<br><br>Generally, our executives will receive two-thirds of their target annual long-term incentive award value in the form of a Time Vesting Equity Award, and one-third of the target award value in the form of an Adjusted EPS Equity Award. (We describe these two types of awards in greater detail under the heading Components of Our Program Elements of our compensation program beginning on page 35.) | In 2016, the Committee did not increase the annual long-term equity target for Messrs. Sulentic, Groch, Lafitte, Frese or Concannon relative to 2015.<br><br>Historically, annual equity grants have been made in August. In 2016, the Committee decided to change our annual equity grant date from August to March, effective March 2017. The Committee determined that awarding equity grants in the first quarter of a fiscal year would allow the Committee to set performance-based goals for our Adjusted EPS Equity Awards using prior year actuals rather than forecast. As our Adjusted EPS Equity Awards are tied to fiscal year performance, this allows us to set future growth targets with greater confidence. Moving the grant date to March also allows the Committee to evaluate all components of total direct compensation (i.e. base salary, annual performance awards and long-term equity) at the same time. To effectuate this change in annual grant timing, in August 2016, the Committee awarded our executives a stub grant, as a bridge between August 2016 and the date of the next annual grant in March 2017. The stub grant value was equal to 50% of each named executive officer s target annual long-term incentive award value and |

| Compensation Component | Description and Purpose | Committee Actions for 2016 |
|---|---|---|
| | | consisted solely of a Time Vesting Equity Award. As a result, in 2016, our named executive officers only received 50% of their normal target grant value. The March 2017 grant was awarded at the normal target grant value, 50% in the form of a Time Vesting Equity Award and 50% in the form of an Adjusted EPS Equity Award to maintain the two-thirds time-based, one-third performance-based mix for the combined August 2016 and March 2017 awards.<br><br>In 2016, Mr. Ferguson also received an additional equity incentive award with a target grant date value of $3,000,000 in connection with the Amended and Restated Employment Agreement we entered into with him, effective January 1, 2016. One-fourth of the target award value was granted in the form of a Time Vesting Equity Award, and three-fourths of the target award value was granted in the form of a Performance Based Equity Award. For more information regarding Mr. Ferguson s compensation arrangements under his Amended and Restated Employment Agreement, see Executive Compensation Employment Agreements on page 49. |

**Corporate Governance Highlights**

| Compensation and Corporate Governance Policies and Practices | |
|---|---|
| ***Independence*** | We have a Compensation Committee that is 100% independent. The Committee engages its own compensation consultant and confirms each year that the consultant has no conflicts of interest and is independent. |
| ***No Hedging*** | We have a policy prohibiting all directors and employees from engaging in any hedging transactions with CBRE securities held by them, which includes the purchase of any financial instrument (including prepaid variable forward contracts, equity swaps and collars) designed to hedge or offset any decrease in the market value of our securities. |
| ***Compensation Clawback Policy*** | We have a compensation clawback policy that permits the company, 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 in this CD&A under the heading Other Relevant Policies and Practices Compensation Clawback Policy on page 44. |
| ***Stock Ownership Requirements*** | We have stock ownership requirements for directors and our executive officers that require retention of threshold amounts of the net shares acquired upon the exercise of stock options, the vesting of restricted stock or the settlement of vested restricted stock units until required ownership levels are met. |
| ***Equity Award Policy*** | We have an Equity Award Policy that is designed to maintain the integrity of the equity award process. 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. |
| ***No Single Trigger Change of Control Payments*** | We do not have employment contracts, plans or other agreements that provide for single trigger change of control payments or benefits (including automatic accelerated vesting of equity awards upon a change of control only) to any of our named executive officers. |
| ***No Special Perquisites*** | Our named executive officers receive no special perquisites or other personal benefits, unless such benefits serve a reasonable business purpose, such as ensuring the continued health and wellness of our executive officers. |
| ***No Tax Gross-Ups*** | As a policy matter, we do not provide tax gross-ups to our named executive officers. |

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## COMPENSATION DISCUSSION AND ANALYSIS

### Philosophy and Objectives of Our Executive Compensation Program

Compensation plays a vital role in supporting short- and long-term business objectives that ultimately drive business success. We believe that our compensation programs should focus our executives on creating sustainable long-term stockholder value. As a result, we reward our executives for annual and long-term business performance, based on global, segment and/or business line financial performance as well as based on progress against individual strategic performance measures.

The Committee establishes and administers our executive compensation program. The primary objectives of the program are to attract and retain accomplished and high-performing executives and to motivate those executives to consistently achieve short- and long-term goals that will create enduring improvements in stockholder value. These short- and long-term compensation incentives are designed to:

*Link pay to performance* We place a significant portion of each executive officer s potential compensation at risk, with incentive programs tied to financial and strategic performance measures and our stock price performance. Depending on the executive s position, the financial measures may be at the global level (*i.e.*, based on our global consolidated results) or based on a combination of global, segment and business line performance, and depending on the achievement of these financial and strategic measures, the resulting payout could be above, at or below target amounts. In addition, all of our long-term incentives have a performance component in that the ultimate value of those incentives is tied to our stock price and/or financial results over a multi-year period, and we seek to further link our long-term incentives to our financial results and shareholder returns by awarding a combination of Adjusted EPS Equity Awards and Time Vesting Equity Awards. (These awards are further described under the heading Components of Our Program Elements of our compensation program beginning on page 35.)

*Align the interests of our executives with those of our stockholders* We seek to instill a sense of ownership in the company through annual equity-based awards and stock ownership requirements applicable to our directors and executives. Equity awards align an executive s financial interests with those of our stockholders by creating incentives to preserve and increase stockholder value as well as achieve solid financial results for our stockholders over a multi-year period.

*Attract and retain top leadership talent* To successfully execute our business strategy, we must attract and retain top talent in our industry. This requires us to provide our executives with compensation opportunities at a level commensurate with other organizations competing for their talents.

*Be transparent and reflect best practices in corporate governance* In addition to implementing compensation programs that are easily understood and tracked, we have adopted specific policies and practices that are designed to further align executive compensation with long-term stockholder interests as described under Corporate Governance Highlights on page 31.

We believe that our stockholders recognize the positive attributes of our executive compensation program. As previously noted, we received strong support for our executive compensation from our stockholders at our 2016 annual meeting of stockholders, at which over 97% of the votes cast on the say on pay proposal were in favor of the 2015 compensation for our named executive officers.

**How We Make Compensation Decisions**

**Our Compensation Committee**

Each year, the Committee determines the appropriate target levels of each component of compensation for each executive officer based on factors the Committee deems relevant in its business judgment. Key factors that the Committee may consider in any given year include:

- Industry and market conditions;
- Global financial performance (*i.e.*, based on our global consolidated results), segment and business line financial performance;
- Global, segment and business line performance relative to competitors;
- Individual factors, including performance and expectations, responsibilities, experience, retention risk, succession planning, prior compensation and positioning among other senior executives;
- Overall effectiveness of the compensation program in achieving, measuring and rewarding desired performance levels;

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COMPENSATION DISCUSSION AND ANALYSIS

The results of our annual say on pay vote from the prior year s annual meeting of stockholders;

Advice from the Committee s independent compensation consultant;

Market compensation data among comparable companies; and

Current and evolving practices and trends among comparable companies.

These factors may vary from year to year based upon the Committee s subjective business judgment reflecting its members collective experience. Upon setting target compensation levels, the Committee reviews our Board-approved annual operating plan and related strategy and objectives and uses this information to establish annual financial and strategic performance goals for each executive officer. Following year-end, performance relative to these goals is measured, and individual compensation levels are then determined.

**Our Chief Executive Officer**

Our CEO meets with the Committee and its independent compensation consultant to provide perspective about us and our industry that may be helpful in conducting an accurate survey of relevant market data from time to time. In addition, our CEO makes recommendations on non-CEO executive compensation, reviews the consultant s report to the Committee and provides the Committee with commentary on portions of the report. At the invitation of the Committee, our CEO also attends meetings when the performance of other executive officers is discussed. During these meetings, our

CEO provides an assessment of those executives performance and recommends a payout percentage with respect to the strategic measures portion of the annual performance bonus for each of those executive officers. The Committee makes all ultimate compensation decisions with respect to our executive officers (including for our CEO), incorporating both the feedback from its independent compensation consultant and our CEO. Our CEO does not attend Committee discussions where the Committee evaluates his performance or sets his compensation.

**The Committee s Independent Compensation Consultant**

The Committee has retained Frederic W. Cook & Co., Inc., or FW Cook, as its independent compensation consultant. FW Cook reports directly to the Committee, attends meetings and provides advice to the Committee Chair. FW Cook prepares analyses for the Committee based on its review of market data that it believes to be relevant, including compensation levels at, and the financial performance of, a comparator group of companies identified for the relevant period. FW Cook meets with the Committee and with management to solicit input on job scope, performance, retention issues and other factors that it views as relevant. FW Cook then prepares reports for the Committee with respect to management recommendations as to compensation opportunities of the applicable executive officers and the reasonableness of such recommendations. The Governance Committee also engages FW Cook from time to time to advise it on non-employee director compensation and FW Cook advises the Compensation Committee on

compensation-related developments and best practices.

FW Cook has not provided the company any services other than the services that it provided to the Committee (and may from time to time provide to the Governance Committee with respect to non-employee director compensation). After considering, among other things, the other factors described elsewhere in this Proxy Statement with respect to FW Cook s work for the Committee and (i) the absence of any business or personal relationship between FW Cook and any member of the Committee or any of our executive officers, (ii) a certification from FW Cook that it does not trade in our securities, (iii) FW Cook s Independence Policy that is reviewed annually by its board of directors and (iv) FW Cook s policy of proactively notifying the Committee chair of any potential or perceived conflicts of interest, the Committee has concluded that FW Cook is independent and that its work does not raise any conflict of interest.

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## COMPENSATION DISCUSSION AND ANALYSIS

### Comparative Market Data

We seek to offer total compensation competitive with the market in which we compete for executive talent. For some positions, this market is broader than the commercial real estate services and investment industry in which we operate. Accordingly, the Committee periodically reviews comparator company compensation data, general industry compensation survey data and recommendations from the Committee s independent compensation consultant to understand whether our executive

compensation is reasonable and competitive. For certain executives, the Committee examines target compensation levels against business services sector comparators and a broad group of non-manufacturing companies, including those that the Committee considers to be our most comparable public company competitors. This group changes from time to time, and for 2016 executive-compensation-planning purposes it consisted of the following companies:

| | |
|---|---|
| AECOM | Jones Lang LaSalle Incorporated |
| Aon plc | ManpowerGroup Inc. |
| Brookfield Asset Management Inc. | Marsh & McLennan Companies, Inc. |
| Cognizant Technology Solutions Corporation | Realogy Holdings Corp |
| Computer Sciences Corporation | Xerox Corporation |
| Fidelity National Financial, Inc. | Waste Management, Inc. |
| Fluor Corporation | Willis Group Holdings Public Limited Company |
| Jacobs Engineering Group Inc. | |

The group of companies listed above includes business services companies outside our industry, with stature, size and complexity that are generally similar to our own, in recognition of the fact that all of our direct competitors are smaller than us and/or are non-public organizations, and competition for certain senior management talent is not limited to our industry. We believe that the compensation paid by the comparator group, taken as a whole, serves as one appropriate reference for our executive compensation, and we do not target any particular compensation percentile within the comparator group when setting executive compensation.

The Committee considers market compensation data that it believes to be reliable and relevant when establishing executive compensation targets. As one factor in setting compensation targets for our CEO, the Committee examines data for comparable positions in the comparator group described above, which indicates, for example, that our CEO s base salary and annual incentive targets should be above those of the next highest paid company executive. This

is partly a function of competitive market data, which indicates that chief executive officers are paid significantly higher than other executives, but it also reflects the Committee s view that our CEO bears ultimate responsibility for our global results and our overall success, such that his compensation opportunity should be set higher. Because reliable comparative data for other positions that might be specific to our business, such as a head of corporate development or a regional or business-unit chief executive officer, is not broadly available from the comparator group, the Committee reviews components of the comparator group or the most comparable level positions (*e.g.*, 2nd or 3rd highest paid), as well as other data from outside the identified comparator group that it considers to be a reliable indicator of market compensation levels for those positions. As noted above, market compensation data is only one of many factors considered by the Committee when setting the compensation mix and levels for any particular executive.

**Say on Pay Results**

The Committee also considers the results of annual stockholder advisory votes on the compensation of our named executive officers in connection with the discharge of its responsibilities. We received strong support for our executive compensation from our stockholders at our 2016 annual meeting of stockholders, at which over 97% of the votes cast on the say on pay proposal were in favor of the 2015 compensation for

our named executive officers. At the 2017 Annual Meeting, we will again hold an advisory vote to approve our named executive officer compensation for 2016. See Proposal 3 Advisory Vote on Executive Compensation on page 26. The Committee will continue to consider the results of these annual advisory votes in evaluating our executive compensation policies and programs.

COMPENSATION DISCUSSION AND ANALYSIS

**Compensation Risk Assessment**

The Committee annually reviews the risks that may arise from our compensation programs, and in 2016, we undertook a comprehensive assessment of risk relating to those programs. Our management prepared a detailed inventory of all of our compensation programs, and FW Cook, on behalf of the Committee, worked with our management to analyze each

program s design to determine whether the program creates or encourages excessive or inappropriate risk taking. Based on this review and analysis, we and the Committee have concluded that our compensation programs do not present any risk that is reasonably likely to have a material adverse effect on us.

**Components of Our Program**

**Elements of our compensation program**

The compensation program for our named executive officers consists primarily of three elements, which are described in more detail below:

- Base salary;
- Annual performance awards (paid in cash); and
- Long-term equity-based incentives (granted with time-based and performance-based vesting conditions).

A significant percentage of our executive officers compensation package is variable, consisting of annual cash performance awards and long-term equity-based incentives.

We endeavor to attract, motivate and retain exceptional individuals with demonstrated leadership and other capabilities required to implement innovative business initiatives, while concurrently encouraging those leaders to work towards ambitious long-term business objectives. We further seek to customize our pay practices based on individual performance, leadership and potential, as well as global, segment and business line results. We assess our executives in the context of a methodical performance management process. We believe

that our pay practices support all of these efforts.

*Base salary*: We provide competitive base salaries that allow us to attract and retain a high-performing leadership team at a reasonable level of fixed costs. Base pay levels generally reflect a variety of factors, such as the executive s skill and experience, the seniority of the position, the difficulty of finding a replacement, affordability and the positioning of the base pay against market salary levels and against base salaries of other senior executives at the company. Base salaries are generally reviewed annually during the first quarter of the year but may also be reviewed at other times if an executive officer s responsibilities have materially changed or other special circumstances so warrant.

In 2016, we paid base salaries to our named executive officers as set forth in the table below (which table reflects the principal capacity in which the executive served as of December 31, 2016). For additional information regarding the base salaries of our named executive officers for 2016, see the heading entitled 2016 Executive Summary Executive Compensation Highlights on page 29.

| Name | 2016 Base Salary | Change from 2015 |
| --- | --- | --- |
| Robert E. Sulentic<br>President and Chief Executive Officer | $ 990,000 | No change. |
| James R. Groch<br>Chief Financial Officer and Global Director of Corporate Development | $ 770,000 | No change. |
| T. Ritson Ferguson<br>Chief Executive Officer CBRE Global Investors | $ 800,000 | Mr. Ferguson was not a named executive officer for 2015, and so we do not present compensation information for him for that year. |
| Michael J. Lafitte<br>Global Group President, Lines of Business and Client Care | $ 700,000 | No change. |
| Calvin W. Frese, Jr.<br>Global Group President, Geographies | $ 680,000 | No change. |
| William F. Concannon<br>Chief Executive Officer Global Workplace Solutions | $ 675,000 | No change. |

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## COMPENSATION DISCUSSION AND ANALYSIS

*Annual performance awards*: The Committee grants annual performance awards to our executive officers under our stockholder-approved Executive Incentive Plan, or EIP. The EIP is an incentive plan that permits executives to earn performance awards up to an individual cap based on a percentage of our adjusted EBITDA for the relevant performance period, which cap is 2.25% for our CEO and 1.50% for each of our other executive officers. Within the framework of the EIP, the Committee uses our Executive Bonus Plan, or EBP, to establish target and maximum awards and determine actual payouts thereunder for our executives. The EBP is designed to motivate and reward executives by aligning pay with annual performance, and the amount of an award thereunder is measured by the executive s success against a combination of challenging financial and strategic performance measures established by the Committee. The maximum payout of annual performance awards to an executive under the EBP is less than his or her respective cap

under the EIP. Notwithstanding this maximum payout under the EBP, the Committee may (among other things) exercise its discretion in any year to award additional amounts to an executive up to his or her respective cap under the EIP or to pay an additional bonus outside of the EIP. In addition, we may determine in any year to pay an award under the EIP or EBP in cash, or in the form of company stock or other non-cash forms of compensation.

*Annual EBP Target Award*: In 2016, the Committee established annual performance award targets for our named executive officers under the EBP as set forth in the table below (which table reflects the principal capacity in which the executive served as of December 31, 2016). For additional information regarding the annual performance award targets of our named executive officers for 2016, see the heading entitled 2016 Executive Summary Executive Compensation Highlights on page 29.

| Name | 2016 EBP Target Awards | Change from 2015 |
|---|---|---|
| Robert E. Sulentic<br><br>President and Chief Executive Officer | $ 1,485,000 | No change. |
| James R. Groch<br><br>Chief Financial Officer and Global Director of Corporate Development | $ 1,155,000 | No change. |
| T. Ritson Ferguson<br><br>Chief Executive Officer CBRE Global Investors | $ 969,231[(1)] | Mr. Ferguson was not a named executive officer for 2015, and so we do not present compensation information for him for |

| | | |
|---|---|---|
| | | that year. |
| Michael J. Lafitte<br><br>Global Group President, Lines of Business and Client Care | $ 1,050,000 | No change. |
| Calvin W. Frese, Jr.<br><br>Global Group President, Geographies | $ 1,020,000 | No change. |
| William F. Concannon<br><br>Chief Executive Officer Global Workplace Solutions | $ 975,000 | No change. |

(1) Mr. Ferguson became eligible to participate in our EBP on March 14, 2016, when he became an executive officer and a Section16 officer. This amount reflects Mr. Ferguson s target award of $1,200,000 under our EBP, pro-rated for the portion of 2016 in which he participated in such plan. Pursuant to Mr. Ferguson s Amended and Restated Employment Agreement, he was also eligible for a target bonus of $230,769 for the period from January 1, 2016 through March 13, 2016. While this stub period bonus was not payable pursuant to the EBP, it was calculated using the same award payout determinations as his EBP award.

*2016 Adjusted EBITDA Target under the EBP*: The Committee uses adjusted EBITDA[5] when establishing financial performance targets under the EBP so that we can effectively tie compensation to our operating results. We believe sustained growth in profitability over time significantly correlates to value creation for our stockholders. As such, we seek to appropriately align our executives compensation to performance in the areas where they have the most direct impact. For our CEO and other corporate executives who manage our global business, their financial performance targets are measured against adjusted EBITDA against plan at the global level. For our regional and business line executives, their financial performance targets are measured against adjusted EBITDA against plan at both the global level and at the segment and business line levels. We

believe that this combined measurement encourages our executives to collaborate with and contribute to the success of their global colleagues. For 2016, the Committee decided that 80% of the 2016 EBP award for Messrs. Sulentic, Groch, Lafitte, Frese and Concannon was to be weighted on financial performance measures (using adjusted EBITDA) and that the remaining 20% was to be weighted on both financial performance measures and individual strategic measures (as discussed below). Pursuant to Mr. Ferguson s Amended and Restated Employment Agreement, 60% of the 2016 EBP award for Mr. Ferguson was to be weighted on financial performance measures (using adjusted EBITDA) and that the remaining 40% was to be weighted on both financial performance measures and individual strategic measures.

[5] For additional information on adjusted EBITDA, please see footnote (3) under Proxy Summary Information on page 2.

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## COMPENSATION DISCUSSION AND ANALYSIS

The 2016 adjusted EBITDA targets for our named executive officers, as compared to actual adjusted EBITDA in 2016, were as follows:

| | Target for 2016 adjusted EBITDA | Actual 2016 adjusted EBITDA | Relevant Business Measure Weighting |
|---|---|---|---|
| Robert E. Sulentic<br>President and Chief Executive Officer<br>James R. Groch<br>Chief Financial Officer and Global Director of Corporate Development<br>Michael J. Lafitte<br>Global Group President, Lines of Business and Client Care | $ 1,621.7 million | $ 1,561.0 million | Global (100%) |
| Calvin W. Frese, Jr.<br>Global Group President, Geographies | $ 1,043.5 million<br>$ 1,621.7 million | $ 1,005.8 million[6]<br>$ 1,561.0 million | Americas (50%)<br>Global (50%) |
| T. Ritson Ferguson<br>Chief Executive Officer CBRE Global Investors | $ 85.5 million<br>$ 134.8 million<br>$ 1,621.7 million | $ 113.9 million[7]<br>$ 83.2 million[8]<br>$ 1,561.0 million | Development Services (10%)<br>Global Investors (65%)<br>Global (25%) |
| William F. Concannon<br>Chief Executive Officer Global Workplace Solutions | $ 496.7 million<br>$ 1,621.7 million | $ 457.5 million[9]<br>$ 1,561.0 million | Global Workplace Solutions (50%)<br>Global (50%) |

Target financial performance under the EBP corresponds to our Board-approved internal financial and operating plan established at the beginning of each performance year, which we believe represents appropriate goal-setting by us. Following year-end, our actual financial performance is then compared to the targeted financial performance, and a resulting adjustment factor is applied to the executive s entire target EBP award. For our executives to be eligible to receive any award under the EBP for 2016, our actual financial performance had to exceed 70% of the applicable target for adjusted EBITDA (as indicated in the table above). Performance at the target level for adjusted EBITDA would have resulted in a 100% adjustment factor (*i.e.*, no multiplier or discount applied to the EBP target award), and performance at 130% or greater of the target level for adjusted EBITDA would have resulted in a 200% adjustment factor. The adjustment factor for performance between 70% and 130% of the target level for adjusted EBITDA is linearly interpolated. For example, in 2016 our adjusted EBITDA at the global level was 96.3% of target (resulting in an 87.5% adjustment factor to the portion of a target EBP award subject to global performance); adjusted EBITDA in our Americas segment was 96.4% of target (for Mr. Frese, our Global Group President, Geographies, and formerly CEO

Americas), resulting in a 88.0% adjustment factor to the 50% portion of his target EBP award subject to our Americas performance); adjusted EBITDA in our Development Services segment was 133.3% of target (for Mr. Ferguson, the CEO of CBRE Global Investors, resulting in a 200.0% adjustment factor to the 10% portion of his target EBP award subject to our Development Services segment performance; adjusted EBITDA in our Global Investment Management segment was 61.7% of target (for Mr. Ferguson, the CEO of CBRE Global Investors, resulting in a 0% adjustment factor to the 65% portion of his target EBP award subject to our Global Investment Management segment performance); and adjusted EBITDA in our Global Workplace Solutions business was 92.1% of target (for Mr. Concannon, our CEO Global Workplace Solutions, resulting in a 73.7% adjustment factor to the 50% portion of his target EBP award subject to our Global Workplace Solutions business performance). Once determined, the adjustment factor is applied to the entire target EBP award, and the portion of the resulting product subject to financial performance measures (as noted above, 80% of the 2016 EBP award for Messrs. Sulentic, Groch, Lafitte, Frese and Concannon, and 60% of the 2016 EBP award for Mr. Ferguson) becomes the financial performance portion of the total EBP award.

[6] 2016 Adjusted EBITDA for our Americas segment was $949.6 million. For a reconciliation of net income computed in accordance with GAAP to EBITDA and adjusted EBITDA for our Americas segment for the fiscal year ended December 31, 2016, see Annex A to this Proxy Statement. We then modified the 2016 adjusted EBITDA figure for our Americas segment to add back certain overhead costs and equity compensation expense that are not fully attributable to that region in order to arrive at a bonusable adjusted EBITDA figure for our Americas segment for 2016. We consider the $1,005.8 million figure in the table above to be the bonusable adjusted EBITDA figure.

[7] For a reconciliation of net income computed in accordance with GAAP to EBITDA and adjusted EBITDA for our Development Services segment for the fiscal year ended December 31, 2016, see Annex A to this Proxy Statement.

[8] For a reconciliation of net income computed in accordance with GAAP to EBITDA and adjusted EBITDA for our Global Investment Management segment for the fiscal year ended December 31, 2016, see Annex A to this Proxy Statement.

[9] For a reconciliation of net income computed in accordance with GAAP to EBITDA and adjusted EBITDA for our Global Workplace Solutions business for the fiscal year ended December 31, 2016, see Annex A to this Proxy Statement.

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**COMPENSATION DISCUSSION AND ANALYSIS**

*2016 Strategic Measures under the EBP*: Although company financial performance is critical to our success, the Committee also believes that a portion of the EBP award (as noted above, 20% of the 2016 EBP award for Messrs. Sulentic, Groch, Lafitte, Frese and Concannon, and 40% of the 2016 EBP award for Mr. Ferguson) should be affected by reference to performance against important strategic measures. The payout of the strategic measure component of annual performance awards under the EBP is more qualitative in nature and subjective in measurement. These measures which the Committee approves for each executive at the beginning of each performance year enable the Committee to influence management s performance against strategies beyond near-term financial measures to include certain strategic measures such as the quality of our earnings, the positioning of our business for the future and the mitigation of risk.

Following the end of the performance year, the Committee reviews each executive s performance against the various strategic measures that were established at the beginning of the year, determines the relative weighting of each strategic measure, and considers any special factors that could have affected performance during the year. The Committee then determines a preliminary strategic measures award multiplier using the ratings framework below:

**STRATEGIC MEASURES SCORECARD**

| Rating | Performance Assessment | Preliminary Multiplier Against Portion of EBP Award Subject to Strategic Measures |
|---|---|---|
| 1 | Far Below Expectations | 0% |
| 2 | Partially Met Expectations | 75% |
| 3 | Met Expectations | 100% |
| 4 | Somewhat Exceeded Expectations | 125% |
| 5 | Far Exceeded Expectations | 150% |

After the preliminary strategic measures award multiplier is determined, the Committee then further reviews each executive s performance relative to his or her executive colleagues and takes into account other objectives and measures that may have become important to us or the executive during the year that are not reflected in the formal strategic measures approved at the beginning of the performance year. Based on this review, the Committee may further increase or decrease the amount of the preliminary strategic measures award multiplier, subject to a multiplier cap of 150%. The multiplier percentage, as so further adjusted, becomes the final strategic measures award multiplier, which is then applied to the strategic measures portion of the EBP award (as adjusted by the financial performance adjustment factor described above). The resulting product becomes the final strategic performance portion of the total EBP award.

With respect to the CEO, the Committee determines his performance against strategic measures. With respect to other executive officers, the Committee reviews the determinations and recommendations of the CEO and then makes the final decision as to their performance and percentage payout assigned.

*2016 EBP Award Payout Determination*: The financial performance portion and the final strategic performance portion of the EBP award, each as described above, were then added together to arrive at a total 2016 EBP award, subject to an overall cap of 200% of the target EBP award under the terms of the EBP.

The table below (which reflects the principal capacity in which our named executive officers served as of December 31, 2016) describes the financial and strategic measures applied to each of our named executive officers and their resulting payouts against targets under the EBP for 2016.

| Name | Financial Measures | Strategic Measures | 2016 Target | 2016 Payout |
|---|---|---|---|---|
| Robert E. Sulentic<br><br>President and<br><br>Chief Executive<br><br>Officer | Global adjusted EBITDA 100%<br><br>*Actual Achievement Against Target 96.3%*<br><br>*Adjustment Factor: 87.5%* | Mr. Sulentic was expected to achieve specific objectives set for him in the following areas:<br><br>Refreshment of the company s business strategy<br><br>Advancement of leadership structure<br><br>Cost control<br><br>Data strategy advancements<br><br>*Strategic Performance Rating: 140%* | $ 1,485,000 | $ 1,403,800[(1)] |

(1) This amount does not include a supplemental and discretionary bonus award granted to Mr. Sulentic of $500,000 under our EBP in recognition of his exemplary leadership and outstanding performance during 2016. Including this award, the total EBP award for Mr. Sulentic for 2016 was $1,903,800. A further explanation of this supplemental and discretionary one-time award is provided immediately below this table.

**COMPENSATION DISCUSSION AND ANALYSIS**

| Name | Financial Measures | Strategic Measures | 2016 Target | 2016 Payout |
|---|---|---|---|---|
| James R. Groch<br>Chief Financial Officer and Global Director of Corporate Development | Global adjusted EBITDA 100%<br><br>*Actual Achievement Against Target: 96.3%*<br>*Adjustment Factor: 87.5%* | Mr. Groch was expected to achieve specific objectives set for him in the following areas:<br>Refreshment of the company s business strategy<br>Finance team development and recruitment<br>Cost control<br>Data strategy advancements<br>*Strategic Performance Rating: 135%* | $ 1,155,000 | $ 1,081,700(2) |
| T. Ritson Ferguson<br>Chief Executive Officer CBRE Global Investors | Global adjusted EBITDA 25%<br>Development Services adjusted EBITDA 10%<br>Global Investment Management adjusted EBITDA 65% | Mr. Ferguson was expected to achieve specific objectives set for him in the following areas:<br>Global Investors leadership transition<br>Clarion Securities leadership transition<br>Growth of Global Investment Management business<br>Development of the Global Investment Management leadership team | $ 969,231(3) | $ 446,500(4) |

| | | | | | |
|---|---|---|---|---|---|
| | *Actual Achievement Against Target: 96.3% (Global); 133.3% (Development Services) and 61.7% (Global Investment Management)*<br><br>*Global Adjustment Factor: 87.5%*<br><br>*Development Services Adjustment Factor: 200.0%*<br><br>*Global Investment Management Adjustment Factor: 0.0%* | | *Strategic Performance Rating: 125%* | | |
| Michael J. Lafitte<br><br>Global Group<br><br>President, Lines of<br><br>Business and<br><br>Client Care | Global adjusted EBITDA<br><br>*Actual Achievement Against Target: 96.3%*<br><br>*Adjustment Factor: 87.5%* | 100% | Mr. Lafitte was expected to achieve specific objectives set for him in the following areas:<br><br>Development of the project management leadership team<br><br>Advancement of Global Workplace Solutions business in key strategic areas<br><br>Capital Markets business growth<br><br>Growth and execution in EMEA<br><br>Cost control<br><br>*Strategic Performance Rating: 140%* | $ 1,050,000 | $ 992,600(2) |

(2) This amount does not include a supplemental and discretionary CEO award granted to each of Messrs. Groch, Lafitte, Frese and Concannon of $300,000, $350,000, $300,000 and $300,000, respectively, under our EBP in recognition of their exemplary leadership and outstanding performance during 2016. Including this CEO award, the total EBP award for Messrs. Groch, Lafitte, Frese and Concannon for 2016 was $1,381,700, $1,342,600, $1,257,700 and $1,148,900, respectively. A further explanation of this CEO award is provided immediately below this table.

(3) Mr. Ferguson became eligible to participate in our EBP on March 14, 2016, when he became an executive officer and a Section 16 officer. This amount reflects Mr. Ferguson s target award of $1,200,000 under our EBP, as pro-rated for the portion of 2016 in which he participated in such plan.

(4) This amount does not include the following:

(i)

the payment upon vesting of bonus amounts earned by Mr. Ferguson in 2011, 2012 and 2013, in the amounts of $199,882, $183,683, and $198,098 respectively, that were required to be deferred under the CBRE Clarion Securities Holdings LLC Deferred Bonus Co-Investment Plan, as amended, which Mr. Ferguson was a participant in prior to 2016;

(ii) the payment upon vesting of bonus amounts earned by Mr. Ferguson in 2013 and 2014, in the amounts of $50,000 and $18,750, respectively, that were required to be deferred under the CBRE Global Investors Global Leadership Team (GLT) Pool, which Mr. Ferguson was a participant in prior to 2016; and

(iii) a bonus, in the amount of $106,300, for the period from January 1, 2016 to March 13, 2016. This bonus was granted pursuant to Mr. Ferguson s Amended and Restated Employment Agreement for the portion of 2016 where he was not eligible to participate in the EBP. Although Mr. Ferguson was not eligible to participate in the EBP until he became a Section 16 officer on March 14, 2016, the pro-rated bonus was calculated using the same award payout determinations as his EBP award. Including this stub period bonus, the total incentive bonus award paid to Mr. Ferguson for 2016 was $552,800.

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**COMPENSATION DISCUSSION AND ANALYSIS**

| Name | Financial Measures | Strategic Measures | 2016 Target | 2016 Payout |
|---|---|---|---|---|
| Calvin W. Frese, Jr.<br><br>Global Group<br><br>President,<br><br>Geographies<br><br>(formerly CEO<br><br>Americas) | Global adjusted EBITDA 50%<br><br>Americas adjusted EBITDA 50%<br><br>*Actual Achievement Against Target: 96.3% (Global); 96.4% (Americas)*<br><br>*Global Adjustment Factor: 87.5%*<br><br>*Americas Adjustment Factor: 87.8%* | Mr. Frese was expected to achieve specific objectives set for him in the following areas:<br><br>Establish goals for growth in revenue, EBITDA and measurable client satisfaction with respect to the Advisory & Transaction Services business<br><br>Define operating key performance indicators for the Americas<br><br>Development of the project management leadership team<br><br>Capital Markets business growth<br><br>Cost control<br>*Strategic Performance Rating: 135%* | $ 1,020,000 | $ 957,700(2) |
| William F. Concannon<br><br>Chief Executive | Global adjusted EBITDA 50% | Mr. Concannon was expected to achieve specific objectives set for him in the following areas: | $ 975,000 | $ 848,900(2) |

| | | |
|---|---|---|
| Officer Global Workplace Solutions | Global Workplace Solutions adjusted EBITDA 50% | Client development<br>Business process and risk management<br>Restructure and grow enterprise facilities management business<br>Development of the project management leadership team |
| | *Actual Achievement Against Target: 96.3% (Global); 92.1% (Global Workplace Solutions)* | *Strategic Performance Rating: 140%* |
| | *Global Adjustment Factor: 87.5%*<br>*Global Workplace Solutions Adjustment Factor: 73.7%* | |

*Supplemental and discretionary awards granted under our EBP:* The EBP provides the Committee the opportunity to grant a supplemental and discretionary bonus award to the CEO in cases of exceptional and exceedingly deserving circumstances. The amount of any such award is determined in the Committee s sole discretion, but subject to ratification by our Board. In addition, the EBP provides our CEO the opportunity to recommend to the Committee a supplemental and discretionary bonus award (or CEO award ) to other named executive officers in cases of such circumstances. The amount of any CEO award is determined in the CEO s sole discretion, but subject to ratification by our Board or the Committee.

Mr. Sulentic received a supplemental and discretionary bonus award totaling $500,000 for 2016 in recognition of his exemplary leadership and outstanding performance for that year. Messrs. Groch, Lafitte, Frese and Concannon each received a CEO award of $300,000, $350,000, $300,000 and $300,000, respectively, for 2016 in similar recognition for that year. These supplemental bonuses were awarded due to our outstanding performance in 2016 on both financial and strategic levels. These accomplishments included:

- our record financial performance;
- our continued strong progress in advancing our strategy, including the material advancement of our talent base and operating platform;
- the increased stability of our revenue sources; and
- the successful integration of the Johnson Controls, Inc. Global Workplace Solutions business.

*Stub Period Bonus for Mr. Ferguson:* Mr. Ferguson did not become eligible to participate in the EBP until March 14, 2016, and his target award of $1,200,000 under our EBP was accordingly pro-rated for the portion of 2016 in which he participated in the EBP. Pursuant to Mr. Ferguson s Amended and Restated Employment Agreement, he was also paid an additional bonus for the period from January 1, 2016 through March 13, 2016. Although Mr. Ferguson was not eligible to participate in the EBP until he became a Section 16 officer on March 14, 2016, this additional stub period bonus was calculated using the same award payout determinations as his EBP award.

*Long-term incentives:* We use equity compensation as a long-term incentive to create alignment with stockholders, to reward achievement of multi-year financial objectives, and as a retention tool for top executives that have the most direct impact on corporate results. The link to performance in our long-term incentive grants is prospective in nature. For example, equity grants encourage executives not only to contribute to the creation of additional stockholder value but also to help maintain and preserve existing stockholder value because the executives share in that value through their equity. Our equity grants are subject to multi-year vesting schedules, which help us to retain key talent. Generally, the Committee grants our annual equity awards in two forms a Time Vesting Equity Award and an Adjusted EPS Equity Award. We explain these awards further under Time Vesting Equity Award and Adjusted EPS Equity Award on page 42.

*Determination of 2016 Long-Term Incentives:* With respect to our CEO, the Committee determines the amount of his equity award. With respect to other executive officers, our CEO recommends to the Committee each year the recipients of equity awards as well as the amount of each award. In evaluating these recommendations and making its final award determinations for all executive officers, the Committee considers:

- the executive s position within our organization;
- ongoing performance and expected contributions by the executive to our future success; and
- input from the Committee s independent compensation consultant (FW Cook), taking into consideration relevant market data (when applicable), pay equity among the relevant employee group and other factors.

*Change to Annual Grant Date:* Historically, annual equity grants have been made in August. In 2016, the Committee decided to change our annual equity grant date from August to March, effective March 2017. The Committee determined that awarding equity grants in the first quarter of a fiscal year would allow the Committee to set performance-based goals for our Adjusted EPS Equity Awards using prior year actuals rather than forecast. As our Adjusted EPS Equity Awards are tied to fiscal year performance, this allows us to set future growth targets with greater confidence. Moving the grant date to March also allows the Committee to evaluate all components of total direct compensation (i.e. base salary, annual performance awards and long-term equity) at the same time. To effectuate this change in annual grant timing, in August 2016, the Committee awarded our executives a stub grant, as a bridge between August 2016 and the date of the next annual grant in March 2017. The stub grant value was equal to 50% of each named executive officer s target annual long-term incentive award value and consisted solely of a Time Vesting Equity Award. As a result, in 2016, our named executive officers only received 50% of their normal target grant value. The March 2017 grant was awarded at the normal target grant value, 50% in the form of a Time Vesting Equity Award and 50% in the form of an Adjusted EPS Equity Award to maintain the two-thirds time-based, one-third performance-based mix for the combined August 2016 and March 2017 awards.

The table below (which reflects the principal capacity in which our named executive officers served as of December 31, 2016) represents the dollar values (measured at grant date fair value) underlying the annual equity awards that were made to our named executive officers for 2016. As noted above, due to the change described to our annual grant date, our named executive officers only received 50% of their normal target grant value, which was awarded solely in the form of a Time Vesting Equity Award. For additional information regarding the long-term incentives of our named executive officers for 2016, see the heading entitled 2016 Executive Summary Executive Compensation Highlights on page 29.

| Name | 2016 Annual Equity Awards[1] |
|---|---|
| Robert E. Sulentic<br>President and Chief Executive Officer | $ 2,062,500 |
| James R. Groch<br>Chief Financial Officer and Global Director of Corporate Development | $ 1,500,000 |
| T. Ritson Ferguson<br>Chief Executive Officer CBRE Global Investors | $ 800,000[2] |
| Michael J. Lafitte<br>Global Group President, Lines of Business and Client Care | $ 1,160,000 |
| Calvin W. Frese, Jr.<br>Global Group President, Geographies | $ 1,125,000 |
| William F. Concannon<br>Chief Executive Officer Global Workplace Solutions | $ 1,025,000 |

(1) These amounts reflect the Committee-approved award values, with the actual number of restricted stock units granted rounded down to the nearest whole share as set forth on the Grants of Plan-Based Awards table on page 50.

(2) This amount does not reflect an equity incentive award with a target value of $3,000,000 as of the grant date that was granted to Mr. Ferguson pursuant to his Amended and Restated Employment Agreement. For more information, see Executive Compensation Employment Agreements on page 49.

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*Time Vesting Equity Award:* The Time Vesting Equity Awards will vest 25% per year over four years (on each of August 11, 2017, 2018, 2019 and 2020).

*Adjusted EPS Equity Award:* We generally will grant Adjusted EPS Equity Awards with a target number of restricted stock units, zero to 200% of which may be earned based on our achievement against certain adjusted EPS performance targets (over a minimum threshold) as measured on a cumulative basis over two fiscal years, with full vesting of any earned amount three years after the grant date. If actual adjusted EPS is less than the minimum threshold, then none of the units will be earned. There is linear interpolation between the adjusted EPS performance threshold and adjusted EPS performance target and also between the adjusted EPS performance target and adjusted EPS performance maximum. We believe that the adjusted EPS performance targets will require substantial efforts from our executive officers in order to achieve them. In August 2016, we changed our annual equity grant date from August to March, effective March 2017. As a result, in August 2016, our executives received a stub grant, consisting solely of a Time Vesting Equity Award equal to 50% of their target annual long-term incentive award value, instead of a combination of Time Vesting Equity Awards and Adjusted EPS Equity Awards. In March 2017, the Committee made annual equity grants at the normal target grant value, with 50% of the target grant value in the form of a Time Vesting Equity Award and 50%

of the target grant value in the form of an Adjusted EPS Equity Award to maintain the two-thirds time-based, one-third performance-based mix for the combined August 2016 and March 2017 awards. The March 2017 Adjusted EPS Equity Awards may be earned from zero to 200% of the target number of shares based on our cumulative adjusted EPS performance for 2017 and 2018, with full vesting of any earned shares three years from the date of grant.

*Certified Achievement for Adjusted EPS Equity Awards Granted in 2014:* On August 14, 2014, we granted (including to certain of our named executive officers for 2016) Adjusted EPS Equity Awards eligible to be earned based on our achievement against certain adjusted EPS performance targets (over a minimum threshold) as measured on a cumulative basis for the 2015 and 2016 fiscal years, with full vesting of any earned amount on August 14, 2017. These 2014 Adjusted EPS Equity Awards were granted with a target number of restricted stock units, zero to 200% of which could be earned based on our achievement against the various adjusted EPS targets over the performance period. On March 3, 2017, the Committee certified the company s cumulative adjusted EPS performance for the performance period at $4.35, versus a cumulative adjusted EPS target for those grants of $3.98. As such, the recipients of these awards will vest on August 14, 2017 into 200% of the target number of restricted stock units, subject to forfeiture in certain circumstances as set forth in their award agreement.

### Additional Elements of Our Compensation Program

***Deferred Compensation Plan*** The purpose of our Deferred Compensation Plan, or DCP, is to provide certain employees whose incomes exceed a certain threshold (including our executive officers) and non-employee directors a tax-efficient manner in which to defer compensation to future years, thus increasing the value of our overall compensation program in support of our recruitment and retention objectives. Certain of our non-employee directors (but none of our named executive officers) participated in the DCP for 2016. The DCP is described in more detail under Executive Compensation Summary of Plans, Programs and Agreements Deferred Compensation Plan on page 55.

***No Single Trigger Change of Control Payments*** We do not have agreements or plans that provide for single trigger change of control payments or benefits (including automatic accelerated vesting of equity awards upon a change of control only) to any of our named executive officers.

***Severance Plan; Ferguson Employment Agreement; Treatment of Equity Awards on Termination due to Death, Disability and Retirement*** We have a Change in Control and Severance Plan for Senior Management, which we refer to in this Proxy Statement as the Severance Plan, in which all of our named executive officers for 2016 (other than Mr. Ferguson) participate. We adopted the Severance Plan in March 2015, and it thereupon superseded the highly compensated employee severance policy previously applicable to our executive officers. Our Committee adopted the Severance Plan because the Committee believes that it is reflective of current compensation practices and trends and will help ensure retention and continuity of our executives. Our Committee further believes that the Severance Plan is essential to recruiting, retaining and developing high-quality executive talent in the competitive market because it provides protection to the executive if the company does not retain him or her in certain circumstances. Participants under the Severance Plan are eligible to receive (i) severance benefits upon a qualifying termination of employment, including enhanced benefits for a qualifying termination that occurs within a window period surrounding a change in control of the company, and (ii) continued vesting in respect of equity awards held by them if they remain employed with us on the date of a change in control of the company (or accelerated vesting if such equity awards are not assumed by the successor company). Mr. Ferguson is eligible to receive severance benefits on a qualifying termination of employment pursuant to his Amended and Restated Employment Agreement and is accordingly not eligible to participate in the Severance Plan. In addition, the award agreements pursuant to which we granted our 2013, 2014, 2015 and 2016 equity awards provide for continued or accelerated vesting of the unvested portion of those awards in the event of termination of employment due to death, disability or retirement. We describe these severance benefits and death, disability and retirement terms in greater detail under the heading Executive Compensation Summary of Plans, Programs and Agreements Severance Plan; Ferguson Employment Agreement, Treatment of Death, Disability and Retirement Under 2013, 2014, 2015 and 2016 Equity Award Agreements on page 55.

***Indirect Elements of Compensation*** Our named executive officers are eligible to participate in the same health, welfare and insurance benefit plans in which our employees are generally able to participate. In addition, we offer our named executive officers out of country medical coverage and reimbursement for an annual physical. Some or all of our executive officers may also participate in broad-based plans and policies (such as our 401(k) plan), and certain of our named executive officers for 2016 also participate in our Severance Plan as described briefly above and in more detail under Executive Compensation Summary of Plans, Programs and Agreements beginning on page 52. We believe that these other elements of compensation are important to attract, motivate and retain the top executive talent for which we compete.

***No Tax Gross-Ups*** As a policy matter, we do not provide tax gross-ups to our named executive officers.

## Other Relevant Policies and Practices

### Equity Ownership Policy

Our objective to link compensation to our long-term success is reinforced by an equity ownership policy applicable to our executives. To further align our executives interests with our stockholders over the long term, this policy restricts selling of company stock by each executive officer until the executive acquires and maintains significant levels of company stock.

For our named executive officers, the minimum ownership requirements are indicated in the table below. Our executives are permitted to satisfy their ownership requirements over time through existing and new equity awards. As of December 31, 2016, all of our named executive officers (except for Mr. Ferguson) have satisfied their minimum ownership requirements.

## STOCK OWNERSHIP REQUIREMENT

*Titles indicated in table reflect principal capacity in which the named executive officer served as of December 31, 2016.*

| Name | Minimum Requirement |
|---|---|
| Robert E. Sulentic<br>President and Chief Executive Officer | 5x Base Salary |
| James R. Groch<br>Chief Financial Officer and Global Director of Corporate Development | 3x Base Salary |
| T. Ritson Ferguson<br>Chief Executive Officer CBRE Global Investors | 3x Base Salary |
| Michael J. Lafitte<br>Global Group President, Lines of Business and Client Care | 3x Base Salary |
| Calvin W. Frese, Jr.<br>Global Group President, Geographies | 3x Base Salary |
| William F. Concanon<br>Chief Executive Officer Global Workplace Solutions | 3x Base Salary |

A further description of this policy and the applicable thresholds can be found under Corporate Governance Stock Ownership Requirements on page 20.

**Policies restricting stock trading and prohibiting hedging and short-selling**

We have a pre-clearance policy and process for trades in company securities that all directors, executive officers and other designated insiders must follow. Under this policy, our directors, executive officers and other designated insiders are

prohibited from trading in company securities outside of our quarterly trading windows, and trades inside the windows are subject to pre-clearance through our General Counsel, in each case except under pre-approved SEC Rule 10b5-1 trading

**COMPENSATION DISCUSSION AND ANALYSIS**

plans. In addition, as part of this policy, we prohibit any short-selling and hedging transactions involving our securities. This is intended to, among other things, prohibit

our directors, executive officers and designated insiders from insulating themselves from the effects of poor stock price performance.

**Compensation Clawback Policy**

We have a compensation clawback policy. This policy permits us, subject to the discretion and approval of the Board, to recover cash-based and performance-based-equity incentive compensation (*e.g.*, our Adjusted EPS Equity Awards) paid to any current or former Section 16 officer (as so designated by the Board and our Audit and Finance Committee under Rule 16a-1(f) of the Exchange Act) in the event of a restatement of our financial results in certain circumstances described below. This policy applies to cash-based incentive compensation paid after February 21, 2014 and to performance-based-equity incentive compensation awarded on or after August 14, 2014.

Specifically, the policy provides that (i) if we are required to restate our financial statements due to material non-compliance by us with any financial reporting

requirement under securities laws (other than due to changes in accounting policy, generally accepted accounting principles or applicable law), (ii) fraud or willful misconduct contributed to the restatement and (iii) any executive officer received a recoverable incentive-based compensation award in excess of the amount that he or she would have received had the restated financial statements been in effect for the period in which the incentive-based compensation amount was awarded, then we are entitled to recover the overpayment. The policy permits clawback from any executive who received an award overpayment, irrespective of whether the executive contributed to the fraud or willful misconduct. Awards are subject to clawback under the policy for up to three years after the award (or any portion thereof) vests (for awards subject to vesting conditions) or is granted (for all other recoverable incentive-based compensation).

**Equity Award Policy and procedures for equity grants**

We have an Equity Award Policy that is designed to maintain the integrity of the equity award process. This policy has the following characteristics:

- Requires Board approval for delegation by the Committee to any other committee or individual of its authority under our equity incentive plans;
- Provides that the effective date of a grant is the date the Committee approves the award, unless a later date is required (for instance in connection with a grant to a new hire who starts work on a date after the Committee has approved the award);
- Provides that the exercise price of stock options and value of restricted stock and restricted stock unit awards is the closing price of our common stock on the NYSE on the grant date; and
- Permits our CEO to make special recruitment and retention awards in the periods between Committee meetings, but never to executive officers or an award consisting of stock options, and there are limitations on the terms and amounts of those grants as well as a requirement to provide reports of such grants to the Committee.

The policy is published in the Corporate Governance section of the Investor Relations page on our website at *www.cbre.com.*

**Section 162(m) tax considerations**

When structuring our executive compensation programs, we and the Committee consider Internal Revenue Code Section 162(m), which limits the deductibility of executive compensation paid by publicly held corporations to $1.0 million per year to the chief executive officer and each of the three next most highly compensated executive officers (except for the chief financial officer), unless the compensation is performance based. Although the tax impact on us of any compensation arrangement is a factor to be considered in a compensation decision, this impact is evaluated in light of the Committee s overall compensation philosophy and objectives. The Committee will consider ways

to maximize the deductibility of executive compensation, while retaining the discretion that it deems necessary to compensate executives competitively and in a manner commensurate with performance. The Committee may therefore award compensation to our executive officers that is not fully tax deductible if it determines that the compensation arrangement is nevertheless in our and our stockholders best interests. Furthermore, we may award compensation that we intend to be deductible, but that a taxing authority may later determine is not in fact deductible under applicable tax laws.

We intend to use performance-based compensation when it is consistent with our compensation philosophy and in our and

our stockholders best interests. Our EIP is a stockholder-approved incentive-compensation plan, and all compensation paid under the EIP is intended to qualify as performance-based compensation under Internal Revenue Code Section 162(m). Under the EIP, the maximum award (which may be cash or stock awards) for each annual performance period is equal to 2.25% of adjusted EBITDA for our CEO and 1.50% of adjusted EBITDA for each of our other participating executive officers. But, the Committee

determines the actual amount of awards in a lesser amount through application of our EBP as well as after consideration of other factors that the Committee deems relevant in gauging the performance of each executive in addition to adjusted EBITDA. Our Time Vesting Equity Awards that were granted under our EIP to our named executive officers for 2016 are intended to constitute performance-based compensation under Section 162(m) of the Internal Revenue Code.

## Compensation Committee Report

The Compensation Committee reviewed and discussed with management of the company the foregoing Compensation Discussion and Analysis. Based on such review and discussion, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated into our Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

**Compensation Committee**

Frederic V. Malek, *Chair*

Brandon B. Boze

Bradford M. Freeman

Gerardo I. Lopez

Paula R. Reynolds

Notwithstanding any statement in any of our filings with the SEC that might incorporate part or all of any filings with the SEC by reference, including this Proxy Statement, the foregoing Compensation Committee Report is not incorporated into any such filings.

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## EXECUTIVE MANAGEMENT

We have provided below summary biographies of our named executive officers who are described above in the CD&A, as well as our other executive officers as of March 20, 2017 (other than Mr. Sulentic). Information on Mr. Sulentic can be found on page 10 under Elect Directors 2017 Director Nominees.

*Gil Borok*

**Age: 49**

**Executive Vice President, Deputy Chief Financial Officer and Chief Accounting Officer**

Mr. Borok has been our Deputy Chief Financial Officer and Chief Accounting Officer since March 2014 and an Executive Vice President since October 2002. He previously served as our Chief Financial Officer from March 2010 to March 2014, Chief Financial Officer Americas from March 2009 until March 2010 and our Chief Accounting Officer from January 2007 until March 2010. He also served as our Interim Chief Financial Officer from December 2008 to March 2009 and as our Global Controller from October 2002 to January 2007. Prior to that, he was Corporate Controller of Dole Food Company, Inc. from August 1999 to October 2002. Mr. Borok is a certified public accountant in the State of California and holds a B.A. from the University of Pittsburgh and an M.B.A. from the Anderson School at the University of California, Los Angeles.

*William F. Concannon*

**Age: 61**

**Chief Executive Officer Global Workplace Solutions**

Mr. Concannon has been our Chief Executive Officer Global Workplace Solutions since July 2012. He previously served as President of this business line from August 2009 until July 2012, and as Vice Chairman of this business line from 2006 until August 2009. Mr. Concannon served as Vice Chairman, from June 2003, and as director, from 1991, of Trammell Crow Company, a diversified commercial real estate firm, until its acquisition by CBRE in December 2006. From February 2001 to June 2003, Mr. Concannon was the president of the global services group of Trammell Crow Company. Mr. Concannon has also served as the president and chief executive officer of Trammell Crow Corporate Services, a real estate company, and from 2002 to 2006, he served on the board of directors of FPD Savills, a real estate company based in the United Kingdom. Mr. Concannon is a member of the board of directors of CRA International, Inc. He holds a B.S. from Providence College.

*T. Ritson Ferguson*

**Age: 57**

**Chief Executive Officer  CBRE Global Investors**

Mr. Ferguson has been the Chief Executive Officer of CBRE Global Investors (our real estate investment management business) since March 2016, Global Chief Investment Officer of CBRE Global Investors since August 2015 and Chief Executive Officer of CBRE Clarion Securities (our real estate securities business) since July 2011. Prior to that, he served as Chief Executive Officer and Co-Chief Investment Officer of ING Clarion Real Estate Securities, LLC from 1992 until our acquisition of that company in July 2011. Earlier in his career, Mr. Ferguson worked at K.S. Sweet Associates, Bain & Company and Trammell Crow Company, and served as a captain in the U.S. Air Force. He currently serves on the board of trustees of CBRE Clarion Global Real Estate Income Fund, which is a CBRE Clarion Securities-managed investment fund. Mr. Ferguson holds a B.S. from Duke University and an M.B.A. from the Wharton School of the University of Pennsylvania, and is a CFA charterholder.

***Calvin W. Frese, Jr.***

**Age: 60**

**Global Group President, Geographies**

Mr. Frese has been our Global Group President, Geographies since June 2016. He previously served as our Chief Executive Officer  Americas from July 2012 to June 2016, Group President  Global Services from December 2010 to July 2012 and President  Global Services from March 2010 to December 2010. He also served as our Global Chief Operating Officer from January 2009 to March 2010 and as President of our Americas region from January 2005 until August 2009. Prior to that, Mr. Frese served as our Chief Operating Officer of the Americas beginning in 2001, and prior to that as our Executive Managing Director of the Central Region from 1998 to 2001. From 1989 to 1998, Mr. Frese was General Partner and Chief Operating Officer of Whittier Partners, a New England-based full-service real estate company and a member of the CBRE affiliate network. He holds a B.A. from Trinity College and an M.S. in Accounting from the New York University, Leonard N. Stern School of Business.

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**EXECUTIVE MANAGEMENT**

*James R. Groch*

**Age: 55**

**Chief Financial Officer and Global Director of Corporate Development**

Mr. Groch has been our Chief Financial Officer and Global Director of Corporate Development since March 2014. He previously served as our Global Chief Investment Officer and Executive Vice President, Strategy and Corporate Finance from January 2009 to March 2014. From 2006 to 2009, he served as the Chief Investment Officer, President of Funds and Investment Management and Director of Corporate Finance of our subsidiary Trammell Crow Company; he served in the Chief Investment Officer role at Trammell Crow Company from 1998 and in roles of President of Funds and Investment Management and Director of Corporate Finance from 2000 until our acquisition of Trammell Crow Company in December 2006. From 1997 to 1998, Mr. Groch served as Trammell Crow Company s President of Development and Investments for the Eastern U.S., and was a Managing Director of Trammell Crow Northeast from 1991 until 1997. In 1988, Mr. Groch became a partner in Trammell Crow Company after joining the company three years earlier. Mr. Groch holds a B.A. from Dickinson College and an M.B.A. from the Darden School of Business at the University of Virginia.

*J. Christopher Kirk*

**Age: 51**

**Chief Administrative Officer**

Mr. Kirk has been our Chief Administrative Officer since July 2012. He was our Global Director of Human Resources from June 2010 to July 2012. Mr. Kirk previously served as the Chief Operating Officer from 2007 to July 2011 and General Counsel from 2001 to 2011 of Trammell Crow Company. Prior to joining Trammell Crow Company, Mr. Kirk was a partner at the Dallas office of Vinson & Elkins LLP, where he was a corporate finance, securities and M&A lawyer. Mr. Kirk holds a B.B.A. and an M.B.A. from the University of Texas and a J.D. from the University of Texas School of Law.

*Michael J. Lafitte*

**Age: 56**

**Global Group President, Lines of Business and Client Care**

Mr. Lafitte has been our Global Group President, Lines of Business and Client Care since June 2016. He previously served as our Chief Operating Officer from February 2013 to June 2016, Global President of our Services business from July 2012 to February 2013 and prior to that was the President of our Americas region from August 2009 to July 2012. Prior to that, he served as President of our Institutional & Corporate Services business beginning in December 2006. He served as President, Global Services of Trammell Crow Company from June 2003 until our acquisition of that company in December 2006, and prior to that served as Trammell Crow Company s Chief Operating Officer, Global Services beginning in September 2002. Mr. Lafitte holds a B.B.A. from the University of Texas and an M.B.A. from Southern Methodist University.

***Laurence H. Midler***

**Age: 52**

**Executive Vice President, General Counsel and Secretary**

Mr. Midler has been our Executive Vice President and General Counsel since April 2004. He also serves as our Secretary. Mr. Midler previously served as our Chief Compliance Officer from April 2004 to January 2014. Mr. Midler served as Executive Vice President, General Counsel and Secretary to Micro Warehouse, Inc., from July 2001 until April 2004. Mr. Midler began his legal career as an associate at Latham & Watkins, a global law firm, in 1990. He holds a B.A. from the University of Virginia and a J.D. from The New York University School of Law.

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## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table sets forth compensation information in respect of the fiscal years ended December 31, 2016, 2015 and 2014 for our CEO, Chief Financial Officer and the four other most highly compensated executive officers for 2016.

| Name and Principal Position | Year | Salary ($) | Bonus[(1)(5)] ($) | Stock Awards[(2)] ($) | Non-Equity Incentive Plan Compensation[(3)] ($) | All Other Compensation[(4)] ($) | Total ($) |
|---|---|---|---|---|---|---|---|
| Robert E. Sulentic | 2016 | 990,000 | 500,000 | 2,062,494 | 1,403,800 | 4,500 | 4,960,794 |
| President and | 2015 | 967,500 | 607,130 | 4,124,980 | 1,992,870 | 3,750 | 7,696,230 |
| Chief Executive Officer | 2014 | 875,000 | | 3,749,953 | 1,740,000 | 3,000 | 6,367,953 |
| James R. Groch | 2016 | 770,000 | 300,000 | 1,499,982 | 1,081,700 | 4,500 | 3,656,182 |
| Chief Financial Officer and | 2015 | 752,500 | 500,000 | 2,999,930 | 1,550,000 | 3,750 | 5,806,180 |
| Global Director of Corporate Development | 2014 | 675,000 | | 2,699,941 | 1,300,700 | 3,000 | 4,678,641 |
| T. Ritson Ferguson Chief Executive Officer CBRE Global Investors[(7)] | 2016 | 800,000 | 756,713 | 3,799,883[(6)] | 446,500 | 4,500 | 5,807,596 |
| Michael J. Lafitte | 2016 | 700,000 | 350,000 | 1,159,972 | 992,600 | 4,500 | 3,207,072 |
| Global Group | 2015 | 675,000 | 400,000 | 2,319,980 | 1,409,100 | 3,750 | 4,807,830 |
| President, Lines Business and Client Care | 2014 | 600,000 | | 2,219,939 | 1,213,000 | 3,000 | 4,035,939 |
| Calvin W. Frese, Jr. | 2016 | 680,000 | 300,000 | 1,124,994 | 957,700 | 4,500 | 3,067,194 |
| Global Group President, | 2015 | 660,000 | 400,000 | 2,249,948 | 1,282,800 | 3,750 | 4,596,498 |
| Geographies | 2014 | 600,000 | 100,000 | 2,159,966 | 1,205,300 | 3,000 | 4,068,266 |
| William F. Concannon | 2016 | 675,000 | 300,000 | 1,024,989 | 848,900 | 4,500 | 2,853,389 |
| | 2015 | 650,000 | 300,000 | 2,049,924 | 1,180,900 | 3,750 | 4,184,574 |

Chief Executive Officer Global Workplace Solutions(8)

(1) For 2016, Mr. Sulentic received a supplemental and discretionary bonus award granted under the EBP of $500,000, and Messrs. Groch, Lafitte, Frese and Concannon each received a supplemental and discretionary CEO award of $300,000, $350,000, $300,000 and $300,000, respectively, granted under our EBP, in recognition of their exemplary leadership and outstanding performance during 2016.

(2) All grants for 2016 were made under and governed by the 2012 Equity Incentive Plan, as described under Summary of Plans, Programs and Agreements on page 52, and include Time Vesting Equity Awards that were granted to each of Messrs. Sulentic, Groch, Ferguson, Lafitte, Frese and Concannon in the amount of 69,049, 50,217, 26,782, 38,834, 37,663 and 34,315 restricted stock units, respectively, which are scheduled to vest 25% per year over four years (on each of August 11, 2017, 2018, 2019 and 2020). In August 2016, we changed our annual equity grant date from August to March, effective March 2017. As a result, in August 2016, our executives received a stub grant, consisting solely of a Time Vesting Equity Award equal to 50% of their target annual long-term incentive award value (as set forth in the table above). In March 2017, we continued our normal practice of granting a combination of Time Vesting Equity Awards and Adjusted EPS Equity Awards. The March 2017 grant was awarded at the normal target grant value, 50% in the form of a Time Vesting Equity Award and 50% in the form of an Adjusted EPS Equity Award to maintain the two-thirds time-based, one-third performance-based mix for the combined August 2016 and March 2017 awards. See Note 2 ( Significant Accounting Policies ) and Note 12 ( 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, 2016 for a discussion of the valuation of our stock awards.

(3) Amounts in this column relate to compensation pursuant to our annual performance award plans referred to in this Proxy Statement as the EIP and EBP, which are described below under Summary of Plans, Programs and Agreements on page 52. Amounts reflected in this table generally are based on the achievement of financial and strategic performance objectives that are established at the beginning of each fiscal year and that are further described under the heading Compensation Discussion and Analysis Components of Our Program Elements of our compensation program beginning on page 35 and Grants of Plan-Based Awards on page 50. For Mr. Ferguson, the amount further reflects that his EBP award was pro-rated for the portion of 2016 in which he participated in the EBP.

(4) The amounts in this column for each of Messrs. Sulentic, Groch, Ferguson, Lafitte, Frese and Concannon reflect our matching contributions to their 401(k) accounts pursuant to our employee 401(k) match policy based on their respective contributions to such accounts.

(5) The amount in this column for Mr. Ferguson reflects the following:

(i) the payment upon vesting of bonus amounts earned by Mr. Ferguson in 2011, 2012 and 2013, in the amounts of $199,882, $183,683 and $198,098, respectively, that were required to be deferred under the CBRE Clarion Securities Holdings LLC Deferred Bonus Co-Investment Plan, as amended, which Mr. Ferguson was a participant in prior to 2016;

(ii) the payment upon vesting of bonus amounts earned by Mr. Ferguson in 2013 and 2014, in the amounts of $50,000 and $18,750, respectively, that were required to be deferred under the CBRE Global Investors Global Leadership Team (GLT) Pool, which Mr. Ferguson was a participant in prior to 2016; and

(iii) a bonus, in the amount of $106,300, for the period from January 1, 2016 to March 13, 2016. This bonus was granted pursuant to Mr. Ferguson s Amended and Restated Employment Agreement for the portion of 2016 where he was not eligible to participate in the EBP. Although Mr. Ferguson was not eligible to participate in the EBP until he became a Section 16 officer on March 14, 2016, the pro-rated bonus was calculated using the same award payout determinations as his EBP award.

(6) On February 10, 2016, Mr. Ferguson received an initial equity incentive award with a target value as of the grant date of $3,000,000 (the Initial Equity Award ). One-quarter of the Initial Equity Award representing 31,236 restricted stock units is scheduled to vest in three equal annual installments on each of December 31, 2016, 2017 and 2018 (the Time Vesting Initial Equity Award ), subject to Mr. Ferguson s continued employment through each such dates. Three-quarters of the Initial Equity Award (the Performance-Based Equity Grant ) representing 93,708 performance restricted stock units is scheduled to vest in three equal annual installments, on each of December 31, 2016, 2017 and 2018, subject to Mr. Ferguson s continued employment through each such dates. The number of shares that are delivered upon each vesting date of the Performance-Based Equity Grant is determined by the Compensation Committee in its discretion, following receipt of a written appraisal of Mr. Ferguson s overall performance by the CEO of the company. With respect to the Performance-Based Equity Grant which vested on December 31, 2016, Mr. Ferguson vested in 20,824 restricted stock units (of the 31,236 restricted stock units previously awarded). For more information, see the Grants of Plan-Based Awards table on page 50, Option Exercises and Stock Vested table on page 52, and Executive Compensation Employment Agreements set forth below.

(7) We have not shown compensation information for Mr. Ferguson for the fiscal years ended December 31, 2015 and 2014 because Mr. Ferguson was not a named executive officer for those years.

(8) We have not shown compensation information for Mr. Concannon for the fiscal year ended December 31, 2014 because Mr. Concannon was not a named executive officer for that year.

**Employment Agreements**

None of our named executive officers for 2016 are parties to an employment agreement (other than Mr. Ferguson).

*Mr. Ferguson s Employment Agreement.* Mr. Ferguson entered into an Amended and Restated Employment Agreement with the company effective January 1, 2016. The initial term of Mr. Ferguson s employment agreement is scheduled to end on December 31, 2019, subject to earlier termination in the event of a termination of Mr. Ferguson s employment. The employment agreement will be extended each year on January 1, commencing with January 1, 2020, for successive terms of one year, unless either the company or Mr. Ferguson provides prior written notice of non-renewal. The agreement provides for an initial base salary of $800,000. The agreement also provides for Mr. Ferguson s target annual cash performance award to be set at $1,200,000 and his annual equity incentive award to be set at $1,600,000, with the Committee to determine Mr. Ferguson s actual cash and equity incentive award amounts each year. In addition, pursuant to the employment agreement, Mr. Ferguson also received an initial equity incentive award with a target value as of the grant date of $3,000,000 (the Initial Equity Award ). One quarter of the Initial Equity Award is scheduled to vest in three equal annual installments, with the first installment vesting on December 31, 2016, and the remaining installments vesting on the first and second anniversaries of such date, subject to Mr. Ferguson s continued employment through each such date. Three-quarters of the Initial Equity Award (the Performance-Based Equity Grant ) is scheduled to vest in three equal annual installments, with the first installment vesting on December 31, 2016, and the remaining installments vesting on the first and second anniversaries of such date, subject to Mr. Ferguson s continued employment through each such date. The number of shares that are delivered upon each vesting date of the Performance-Based Equity Grant is determined by the Compensation Committee in its discretion, following receipt of a written appraisal of Mr. Ferguson s overall performance by the Chief Executive Officer of the company.

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**EXECUTIVE COMPENSATION**

**Grants of Plan-Based Awards**

The following table sets forth information concerning stock and cash awards in respect of the fiscal year ended December 31, 2016 to the persons named in the table under the heading Summary Compensation Table, which awards were granted pursuant to our 2012 Equity Incentive Plan, Executive Incentive Plan or Executive Bonus Plan described below under Summary of Plans, Programs and Agreements on page 52.

| | | Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1] | | | Estimated Future Payouts Under Equity Incentive Plan Awards | | | All Other Stock Awards: Number of Shares of Stock or Units | Grant Date Fair Value of Stock and Option Awards[2][3] |
|---|---|---|---|---|---|---|---|---|---|
| **Name** | **Grant Date** | **Threshold ($)** | **Target ($)** | **Maximum ($)** | **Threshold (#)** | **Target (#)** | **Maximum (#)** | **(#)** | **($)** |
| Robert E. Sulentic | | | 1,485,000 | 2,970,000 | | | | | |
| | 08/11/16[4] | | | | | | | 69,049 | 2,062,494 |
| James R. Groch | | | 1,155,000 | 2,310,000 | | | | | |
| | 08/11/16[4] | | | | | | | 50,217 | 1,499,982 |
| T. Ritson Ferguson | | | 969,231[6] | 1,938,462[6] | | | | | |
| | 02/10/16[5] | | | | | | | 124,944 | 2,999,905 |
| | 08/11/16[4] | | | | | | | 26,782 | 799,978 |
| Michael J. Lafitte | | | 1,050,000 | 2,100,000 | | | | | |
| | 08/11/16[4] | | | | | | | 38,834 | 1,159,972 |
| Calvin W. Frese, Jr. | | | 1,020,000 | 2,040,000 | | | | | |
| | 08/11/16[4] | | | | | | | 37,663 | 1,124,994 |
| William F. Concannon | | | 975,000 | 1,950,000 | | | | | |
| | 08/11/16[4] | | | | | | | 34,315 | 1,024,989 |

(1) For our executives to be eligible to receive a non-equity incentive plan ( EBP ) award based on our financial performance in 2016, as measured by adjusted EBITDA, our performance had to exceed 70% of the applicable adjusted EBITDA goal. The maximum award permitted under the EBP was 200% of the executive s target. Upon achievement just over the 70% threshold (*e.g.*, 70.0000001%), the amount of the EBP award payable would be negligible, and as such no amount is shown in the Threshold column. For a full description of our EBP awards, see Compensation Discussion and Analysis Components of Our Program Elements of our compensation program beginning on page 35.

(2) The amounts shown represent the grant date fair value of the awards computed in accordance with ASC 718. See Note 2 Significant Accounting Policies and Note 12 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, 2016 for a discussion of the valuation of our stock awards. Our Time Vesting Equity Awards and Adjusted EPS Equity Awards are further described under the heading Compensation Discussion and Analysis Components of Our Program Elements of our compensation program beginning on page 35.

(3) The closing price of our common stock on February 10, 2016 was $24.01 per share and on August 11, 2016 was $29.87 per share.

(4) Represents Time Vesting Equity Awards of restricted stock units that were granted to each of Messrs. Sulentic, Groch, Ferguson, Lafitte, Frese and Concannon, which are scheduled to vest 25% per year over four years (on each of August 11, 2017, 2018, 2019 and 2020). For a full description of these awards, see Compensation Discussion and Analysis Components of Our Program Elements of our compensation program beginning on page 35.

(5) Represents Time Vesting Initial Equity Awards of 31,236 restricted stock units, which are scheduled to vest in equal increments over three years (on each of December 31, 2016, 2017 and 2018, subject to Mr. Ferguson s continued employment through each such dates) and 93,708 performance restricted stock units, Performance-Based Equity Grant, which are scheduled to vest in equal annual installments (on each of December 31, 2016, 2017 and 2018, subject to Mr. Ferguson s continued employment through each such dates). The number of shares that are delivered upon each vesting date of the Performance-Based Equity Grant is be determined by the Compensation Committee in its discretion, following receipt of a written appraisal of Mr. Ferguson s overall performance by the Chief Executive Officer of the company. For a full description of these awards, see Executive Compensation Employment Agreements on page 49.

(6) Mr. Ferguson became eligible to participate in our EBP on March 14, 2016, when he became an executive officer and a Section 16 officer. These amounts reflect Mr. Ferguson s target and maximum award under our EBP, pro-rated for the portion of 2016 in which he participated in such plan.

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**EXECUTIVE COMPENSATION**

**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth information concerning unexercised stock options and other equity awards that remain unvested as of December 31, 2016 that are held by the persons named in the table under the heading Summary Compensation Table.

| | Option Awards | | | | Stock Awards | | | |
|---|---|---|---|---|---|---|---|---|
| Name | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price ($) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested[(1)(2)(3)(4)(5)] (#) | Market Value of Shares or Units of Stock That Have Not Vested[(6)] ($) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[(7)(8)] (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[(6)] ($) |
| Robert E. Sulentic | | | | | 189,094 | 5,954,570 | 116,991 | 3,684,047 |
| James R. Groch | | | | | 134,961 | 4,249,922 | 84,495 | 2,660,748 |
| T. Ritson Ferguson | | | | | 110,078 | 3,466,356 | | |
| Michael J. Lafitte | | | | | 109,462 | 3,446,958 | 68,188 | 2,147,240 |
| Calvin W. Frese, Jr. | | | | | 106,285 | 3,346,915 | 66,282 | 2,087,220 |
| William F. Concannon | | | | | 89,021 | 2,803,271 | 52,458 | 1,651,902 |

(1) With respect to the total number of unvested stock awards listed in this column, 25,383, 16,193, 16,193, 15,755 and 10,504 unvested stock awards granted on August 14, 2013 (as Time Vesting Equity Awards) to each of Messrs. Sulentic, Groch, Lafitte, Frese and Concannon, respectively, are scheduled to vest in full on September 5, 2017.

(2) With respect to the total number of unvested stock units listed in this column, 40,414, 29,098, 23,925, 23,278 and 17,243 unvested stock units granted on August 14, 2014 (as Time Vesting Equity Awards) to Messrs. Sulentic, Groch, Lafitte, Frese and Concannon, respectively, will vest in equal increments on each of August 14, 2017 and 2018.

(3) With respect to the total number of unvested stock units listed in this column, 54,248, 39,453, 30,510, 29,589 and 26,959 unvested stock units granted on August 13, 2015 (as Time Vesting Equity Awards) to Messrs. Sulentic, Groch, Lafitte, Frese and Concannon, respectively, will vest in equal increments on each of August 14, 2017, 2018 and 2019.

(4) With respect to the total number of unvested stock units listed in this column, 20,824 unvested stock units granted on February 10, 2016 (as Time Vesting Initial Equity Award) to Mr. Ferguson, will vest in equal increments on each of December 31, 2017 and 2018, subject to Mr. Ferguson s continued employment through each such dates. In addition, Mr. Ferguson may vest in 62,472 unvested stock units listed in this column of the Performance-Based Equity Grant in equal increments on each of December 31, 2017 and 2018, subject to Mr. Ferguson s continued employment through each such dates. The number of shares that are delivered upon each vesting date of the Performance-Based Equity Grant will be determined by the Compensation Committee in its discretion, following receipt of a written appraisal of Mr. Ferguson s overall performance by the CEO of the company. For a full description of this award, see Executive Compensation Employment Agreements on page 49.

(5) With respect to the total number of unvested stock units listed in this column, 69,049, 50,217, 26,782, 38,834, 37,663 and 34,315 unvested stock units granted on August 11, 2016 (as Time Vesting Equity Awards) to Messrs. Sulentic, Groch, Ferguson, Lafitte, Frese and Concannon, respectively, will vest in equal increments on each of August 11, 2017, 2018, 2019 and 2020. For a full description of these awards, see Compensation Discussion and Analysis Components of Our Program Elements of our compensation program beginning on page 35.

(6) Amounts reflected in this column were calculated by multiplying the number of unvested stock units by $31.49, which was the per-share closing price of our common stock on December 30, 2016. For the Adjusted EPS Equity Awards, these figures assume that those awards are later issued at their target number of shares, except for the Adjusted EPS Equity Awards granted in 2014. As described below in footnote (7) to this table, the 2014 Adjusted EPS Equity Awards will be issued at a greater number of shares than their target (200% of target), and we have reflected the greater number of shares in this table.

(7) With respect to the performance-based non-vested stock units listed in this column, 40,413, 29,097, 23,924, 23,278 and 17,243 stock units granted on August 14, 2014 (as 2014 Adjusted EPS Equity Awards) to each of Messrs. Sulentic, Groch, Lafitte, Frese and Concannon, respectively, were eligible to be earned based on our achievement against certain adjusted EPS performance targets (over a minimum threshold) as measured on a cumulative basis for the 2015 and 2016 fiscal years, with full vesting of any earned amount on August 14, 2017. The 2014 Adjusted EPS Equity Awards were granted with a target number of restricted stock units, zero to 200% of which could be earned based on our achievement against the various adjusted EPS targets over the performance period. On March 3, 2017, the Compensation Committee certified the company s cumulative adjusted EPS performance for the performance period at $4.35, versus a cumulative adjusted EPS target in those grants of $3.98. As such, Messrs. Sulentic, Groch, Lafitte, Frese and Concannon will vest on August 14, 2017 into 80,826, 58,194, 47,848, 46,556 and 34,486 shares (200% of their target number of restricted stock units), respectively, subject to forfeiture in certain circumstances as set forth in their award agreement. We have reflected this greater number of shares in this table.

(8) With respect to the performance-based non-vested stock units listed in this column, 36,165, 26,301, 20,340, 19,726 and 17,972 stock units granted on August 13, 2015 (as Adjusted EPS Equity Awards) to each of Messrs.

Sulentic, Groch, Lafitte, Frese and Concannon, respectively, are eligible to be earned based on our achievement against certain adjusted EPS performance targets (over a minimum threshold) as measured on a cumulative basis for the 2016 and 2017 fiscal years, with full vesting of any earned amount on August 14, 2018. The Adjusted EPS Equity Award was granted with a target number of restricted stock units, zero to 200% of which may be earned based on our achievement against the various adjusted EPS targets over the performance period.

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**EXECUTIVE COMPENSATION**

**Option Exercises and Stock Vested**

The following table sets forth information concerning stock option exercises and vesting of stock awards during the fiscal year ended December 31, 2016 for the persons named in the table under Summary Compensation Table. The dollar amounts in the table below are based on the market value of our common stock on the respective dates of vesting multiplied by the number of shares that vested on such date.

| | Option Awards | | Stock Awards | |
|---|---|---|---|---|
| Name | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise ($) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting ($) |
| Robert E. Sulentic | | | 146,092 | 4,387,302 |
| James R. Groch | | | 102,584 | 3,080,279 |
| T. Ritson Ferguson | | | 31,236 | 983,622 |
| Michael J. Lafitte | | | 96,281 | 2,893,068 |
| Calvin W. Frese, Jr. | | | 96,035 | 2,885,980 |
| William F. Concannon | | | 64,840 | 1,946,891 |

**Grants of Performance-Based Awards**

The table below sets forth information concerning outstanding performance-based awards under our 2012 Equity Incentive Plan.

| Performance-Based Awards | # of Units |
|---|---|
| **Non-Vested at December 31, 2013** | 980,299 |
| Granted in 2014 | 513,893 |
| Vested in 2014 | 82,272 |
| Forfeited 2014 | 11,512 |
| **Non-Vested at December 31, 2014** | 1,400,408 |
| Granted in 2015 | 659,698 |
| Vested in 2015 | 82,277 |
| Forfeited 2015 | 38,652 |
| **Non-Vested at December 31, 2015** | 1,939,177 |
| Granted in 2016 | 253,757 |
| Vested in 2016 | 977,316 |
| Forfeited 2016 | 98,021 |

| | |
|---|---|
| **Non-Vested at December 31, 2016** | 1,334,935 |
| Granted in Q1 2017 | 726,379 |
| Vested in Q1 2017 | |
| Forfeited Q1 2017 | 18,434 |
| **Non-Vested at March 20, 2017** | 2,040,880 |

**Summary of Plans, Programs and Agreements**

**2012 Equity Incentive Plan**

Our 2012 Equity Incentive Plan, or the 2012 Plan, which was approved by our stockholders on May 8, 2012, authorizes the grant of stock-based awards to our employees, directors and

independent contractors and is administered by our independent Compensation Committee. The 2012 Plan will terminate on February 13, 2022 unless earlier terminated. A total of 16,000,000 shares of our Class A common stock plus 2,205,887 unissued shares that remained under the 2004 stock incentive plan, or 2004 Plan (as described below), have been reserved for issuance under the 2012 Plan. Additionally, shares underlying awards that expire, terminate or lapse under the 2012 Plan or under the 2004 Plan will become available for issuance under the 2012 Plan. No person is eligible to be granted performance-based awards in the aggregate covering more than 3,300,000 shares during any fiscal year or cash awards in excess of $5,000,000 for any fiscal year. The number of shares issued or reserved pursuant to the 2012 Plan, or pursuant to outstanding awards, is subject to adjustment on account of a stock split of our outstanding shares, stock dividend, dividend payable in a form other than shares in an amount that has a material effect on the price of the shares, consolidation, combination or reclassification of the shares, recapitalization, spin-off or other similar occurrence. Stock options and stock appreciation rights granted under the 2012 Plan are subject to a maximum term of ten years from the date of grant. Restricted share and

restricted stock unit awards that have only time-based service vesting conditions are generally subject to a minimum three-year vesting schedule. Restricted share and restricted stock unit awards that have performance-based vesting conditions are generally subject to a minimum one-year vesting schedule.

As of December 31, 2016, and March 20, 2017, 10,233,122 shares and 7,589,838 shares, respectively, remained available for future grants under the 2012 Plan (assuming the maximum number of shares that may be issued under our Adjusted EPS Equity Awards currently outstanding as of such date will later be issued). If stockholders at the Annual Meeting approve the 2017 Equity Incentive Plan (as approved by the Board on March 3, 2017), the 2012 Plan will terminate and no further awards will be granted from the 2012 Plan.

*Recent Share Price.* On March 20, 2017, the closing price of our common stock on the NYSE was $35.55 per share.

**Second Amended and Restated 2004 Stock Incentive Plan**

Our 2004 Plan, which authorized the grant of stock-based awards to our employees, directors and consultants, was terminated in May 2012 in connection with the adoption of our 2012 Plan, which is described above. Given that our 2004 Plan terminated in May 2012, no new awards may be granted thereunder. However, as of December 31, 2016, stock options (to acquire 26,076 of our shares) granted under the 2004 Plan

prior to its termination remained outstanding according to their terms, and we will continue to issue shares under the 2004 Plan in respect of such outstanding awards to the extent required under their terms. As noted above, shares underlying such outstanding awards that expire, terminate or lapse under the 2004 Stock Plan will become available for grant under the 2012 Plan.

**Executive Incentive Plan (  EIP  )**

The purpose of the EIP is to advance our interests and the interests of our stockholders and to assist us in attracting and retaining executive officers by providing incentives and financial rewards to our executive officers that are intended to be deductible as  performance-based compensation  within the meaning of Section 162(m) of the Internal Revenue Code. The principal features of the EIP are summarized below.

*Administration; Amendment and Termination.* Our Compensation Committee administers the EIP and has broad authority to interpret, amend or rescind its provisions as the Compensation Committee deems necessary and appropriate. Our Board reserves the right to amend or terminate the EIP at any time, subject to stockholder approval to the extent required by applicable law.

*Eligibility.* Our executive officers who are designated by our Board as  Section 16 officers  are eligible to participate in the EIP. Currently, there are nine executive officers designated as Section 16 officers.

*Maximum Awards.* Under the EIP, each participant is eligible to receive a maximum performance award (which may be cash or stock awards) equal to a percentage of our adjusted

EBITDA for the applicable performance period. The percentage is equal to 2.25% for our CEO and 1.50% for each of our other participating executive officers. The actual performance award granted to an EIP participant is determined by our Compensation Committee, which retains the discretionary authority to reduce or eliminate (but not increase beyond the maximum award amount that may be granted to a participant under the EIP) an EIP performance award based on its consideration of, among other things, global, segment or business line performance against budgeted financial goals, achievement of non-financial and strategic goals, economic and relative performance considerations and assessments of individual performance, including consideration of our EBP, which is described below under  Executive Bonus Plan.  The Compensation Committee may evaluate a participant s performance against the foregoing considerations and thereby reduce the maximum award otherwise permissible for that participant under the EIP formula. Our Compensation Committee may also exercise its discretion in any year to award additional amounts based on performance outside the EBP, up to the maximum amounts permitted under the EIP.

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## EXECUTIVE COMPENSATION

The time period during which the achievement of the performance goals is to be measured shall be no longer than five years and no less than six months. Within the earlier of 90 days after the beginning of each fiscal year or the expiration of 25% of a performance period, our Compensation Committee will designate one or more performance periods, determine the participants for such performance periods and affirm the applicability of the formula for determining each participant s EIP award.

Each award under the EIP may be paid in cash, stock, restricted stock, stock options or other stock-based awards or stock-denominated units. An award shall be paid only after written certification by our Compensation Committee as to the attainment of the performance goals and the amount of the award.

*Termination of Employment.* Under the EIP, a participant who terminates employment with us due to retirement, disability or death during a performance period is eligible (but not guaranteed) to receive an award. An EIP participant who terminates employment with us due to retirement, disability or death following the end of a performance period but before

awards relating to such performance period are paid is eligible (but not guaranteed) to receive the full award for such performance period. If an EIP participant terminates employment with us for any other reason (whether voluntary or involuntary) either during a performance period, or after a performance period but before awards relating to such performance period are paid, then under our EIP no award (or portion thereof) is payable or earned, unless the Compensation Committee otherwise determines. However, notwithstanding these EIP forfeiture provisions, our Severance Plan may provide for a severance payment in respect of an executive s annual cash bonus award upon a qualifying termination of employment under certain terms and conditions as set forth herein. In addition, certain equity awards granted under the EIP provide for continued or accelerated vesting upon death, disability or retirement. We describe these severance and death, disability and retirement benefits in greater detail under the heading Summary of Plans, Programs and Agreements Severance Plan; Ferguson Employment Agreement; Treatment of Death, Disability and Retirement Under 2013, 2014, 2015 and 2016 Equity Award Agreements on page 55.

**Executive Bonus Plan ( EBP )**

The EBP is designed to motivate and reward executives by aligning our annual performance awards with actual performance, and the amount of an EBP award is measured by the executive s success against a combination of challenging financial and strategic performance measures established by the Committee. The principal features of the EBP are summarized below.

*Eligibility.* Our executives who are designated by our Board as Section 16 officers are eligible to participate in the EBP. Currently, there are nine executives designated as Section 16 officers.

*Performance.* Awards under the EBP are based on the achievement of certain financial and strategic performance goals and a targeted level or levels of performance with respect to those goals. Financial performance goals under the EBP are based on adjusted EBITDA performance, and target adjusted EBITDA goals are based on our internal financial and operating plan approved by our Board. The strategic performance measures are determined on an individual participant-by-participant basis and are based on the achievement of specific objectives in each participant s area of responsibility. Strategic performance measures for the CEO and other EBP participants are approved by our Compensation Committee.

*Award Determination.* The Compensation Committee establishes a target award amount for each participant in the EBP early in the performance period, and the Compensation Committee determines the actual amount awarded after the conclusion of the fiscal year. The Compensation Committee may also determine to issue to our CEO a supplemental and discretionary award under our EBP in exceptional and exceedingly deserving circumstances, and our CEO (subject to ratification by the Board or the Compensation Committee) may determine to issue to our other executive officers a supplemental and discretionary CEO award under the EBP in such circumstances. Our Compensation Committee and Board may exercise their discretion in any year to award additional amounts based on performance outside the EBP and up to the maximum amounts permitted under the EIP.

For a description of how the annual performance award payouts under the EBP were determined for 2016 as well as other features of the EBP, see Compensation Discussion and Analysis Components of Our Program Elements of our compensation program beginning on page 35 in our CD&A in this Proxy Statement. The process for calculating the strategic performance portion of the EBP award is also described in greater detail in that section.

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**Deferred Compensation Plan ( DCP )**

The DCP provides an opportunity for certain employees whose income exceed a certain threshold (including our executive officers) and non-employee directors to elect to defer a portion of their compensation to future years. The DCP is administered by our CEO or a committee of three or more individuals (the DCP Committee ) selected by our CEO. The DCP Committee in its discretion will select which persons can participate in the DCP and the calendar year(s) in which they can participate. Participants in the DCP make an irrevocable election whether to defer a portion of their compensation with respect to a particular calendar year and whether to receive distributions of their deferred amounts (plus accrued interest) from a certain calendar year in: (i) a lump sum five years after the calendar year in which the election was made, unless the participant s separation from service occurs prior to distribution; (ii) a lump sum seven years after the calendar year in which the election was made, unless the participant s separation from service occurs prior to distribution; (iii) a lump sum six months after the participant s separation from service; or (iv) equal annual

installments over five years, with the first installment being paid on July 15 of the calendar year following the year in which the participant s separation from service occurs.

Deferred account balances accrue interest, and that interest is credited quarterly. The rate of interest is determined by the DCP Committee from time to time. In 2016, deferred account balances accrued interest at an annualized rate of 4.0% for the period from January 1, 2016 through March 31, 2016, 3.9% for the period from April 1, 2016 through June 30, 2016, 3.6% for the period from July 1, 2016 through September 30, 2016 and 3.3% for the period from October 1, 2016 through December 31, 2016, which represents a rate equal to the average quarterly Moody s Seasoned AAA corporate bond yield for the prior quarter.

The DCP is an unfunded plan and is intended to comply both with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and with the Employee Retirement Income Security Act of 1974, as amended.

**401(k) Plan**

We maintain a tax-qualified 401(k) retirement plan. Most of our U.S. employees, other than certain qualified real estate agents having the status of independent contractors under Internal Revenue Code Section 3508, are eligible to participate in this plan. The 401(k) plan provides for participant contributions as well as a company match. A participant is allowed to contribute to the 401(k) plan from 1% to 75% of his or her compensation, subject to limits imposed by applicable law. Participants are entitled to invest up to 25% of their 401(k) account balance in shares of our common stock, except that participants may not have more than 25% of their plan assets allocated to our common stock

as measured at any year-end. As of December 31, 2016, approximately 1.3 million shares of our common stock were held through investments in our 401(k) plan.

In 2016, we matched 50% of our employee s contributions up to the first 6% of the employee s annual compensation (up to $150,000 of compensation). For all 401(k) plan participants hired after January 1, 2007, our matching contributions vest 20% for each year of service with the company in which they work at least 1,000 hours, until they are 100% vested after five years of service. All 401(k) plan participants hired before January 1, 2007 have full and immediate vesting in our matching contributions.

**Severance Plan; Ferguson Employment Agreement; Treatment of Death, Disability and Retirement Under 2013, 2014, 2015 and 2016 Equity Award Agreements**

We have a Severance Plan for our executive officers in which all of our named executive officers other than Mr. Ferguson participate, and as described below, provide for certain death, disability and retirement benefits for them in certain circumstances. As further described below, Mr. Ferguson is entitled to severance benefits upon certain qualifying terminations of employment pursuant to the terms of his Amended and Restated Employment Agreement.

***Severance Plan***

We have a Severance Plan in which all of our executive officers participate, other than those executive officers from

time to time who may be party to an employment agreement with the company that provides for severance pay. All of our named executive officers for 2016, other than Mr. Ferguson, participate in the Severance Plan. Participants in the Severance Plan (which we refer to as Covered Employees within this Severance Plan section) will not be eligible to participate in any other severance plan sponsored by us. Our CEO is designated as a Tier I participant, and all of our other current executive officers (including all of our named executive officers for 2016) are presently designated as Tier II participants under the Severance Plan. Covered Employees are eligible to receive under the Severance Plan

**EXECUTIVE COMPENSATION**

(i) severance benefits upon a Qualifying Termination (which we describe below), including enhanced benefits for a Qualifying Termination that occurs within a window period surrounding a Change in Control (as defined in the Severance Plan) of the company, and (ii) accelerated and continued vesting in respect of equity awards held by them if they remain employed with us on the date of a change in control of the company, all subject to effective release of claims against the company, compliance with restrictive conditions, and certain other conditions.

We describe these severance benefits in detail immediately below.

*Severance Benefits under Severance Plan*

The Severance Plan provides the Covered Employee with the following severance payments and benefits upon a termination of employment either (1) by us other than for Cause and other than for Poor Performance or (2) by the Covered Employee for Good Reason (each such capitalized term as defined in the Severance Plan) (a Qualifying Termination ):

- a lump-sum cash payment equal to (a) 2.0 for the Tier I participant or 1.5 for Tier II participants, *multiplied by* (b) the sum of (1) the Covered Employee s annual base salary *plus* (2) his or her target annual cash bonus award;

- payment of a pro-rated portion of the Covered Employee s annual cash bonus award for the year of termination (with the bonus calculated based on actual performance for our executive officers);

- payment of any unpaid annual bonus in respect of a prior fiscal year (or performance period already completed) that ended on or before the date of termination (without any requirement to remain employed through the payment date to earn such bonus);

- continued health-care coverage for up to 18 months post-termination, with the Covered Employee paying active employee premium rates;

- outplacement assistance for up to 12 months post-termination; and

- vesting of equity awards as follows (unless the underlying equity award agreement provides for more favorable vesting, in which case such agreement shall control):

  - If the Qualifying Termination occurs at any time outside of the Change in Control Protection Period (as defined below), accelerated vesting of a pro-rated portion of all outstanding unvested time-vesting equity awards or, if the award is subject to performance-based vesting conditions, continued eligibility to vest based on the actual achievement of the performance goals following the completion of the applicable performance period with respect to a pro-rated portion of all outstanding unvested performance-vesting equity awards, in each case, based on the number of days employed from the grant date through the date of termination plus an additional number of days corresponding to the Covered Employee s severance multiple (24 months for the Tier I participant or 18 months for Tier II participants), subject to the following deferred equity delivery requirements:

50% of the accelerated portion of time-vesting restricted stock units or time-vesting restricted stock will be delivered on the date of termination and the remaining 50% will be delivered at the end of the applicable period during which the Covered Employee is subject to the restrictive conditions under the Severance Plan as described below (which is 24 months following the termination date for the Tier I participant and 18 months following the termination date for the Tier II participants) (such period is referred to herein as the restricted period ), subject to the Covered Employee s compliance with such restrictive conditions during the restricted period;

50% of the accelerated portion of shares underlying time-vesting options will be forfeited if the Covered Employee does not comply with the restrictive conditions under the Severance Plan during the applicable restricted period;

With respect to the portion of performance-vesting restricted stock units or restricted stock that were subject to continued eligibility to vest and are actually earned based on the level of achievement of the applicable performance goals, 50% will be delivered at the end of the applicable performance period and the remaining 50% will be delivered at the later of the end of the performance period or the end of the restricted period, subject to the Covered Employee s compliance with the restrictive conditions during the restricted period;

With respect to the portion of shares underlying performance-vesting options that were subject to continued eligibility to vest and are actually earned based on the level of achievement of the applicable performance goals, 50% will be forfeited if the Covered Employee does not comply with the restrictive conditions under the Severance Plan during the applicable restricted period; and

Notwithstanding the foregoing, if a Covered Employee exercises any time-vesting options or performance-vesting options during the restricted period applicable to such Covered Employee, then the shares acquired upon such exercise will be held by us and may not be sold or transferred by such Covered Employee before the end of such restricted period, and, if such Covered Employee does not comply with the restrictive conditions, each such share will be automatically repurchased by us at a price equal to the lower of the fair market value of such share and the exercise price per share of such option.

If the Qualifying Termination occurs upon, within 120 days prior to or within two years following, a Change in Control (the Change in Control Protection Period ), immediate and fully accelerated vesting of all outstanding unvested equity awards (or their as-assumed, -converted or -replaced awards as described below under Severance Plan Treatment of Equity Awards Held by Non-Terminated Participants upon a Change in Control ) (and, if the award is subject to performance-based vesting conditions, the Compensation Committee will determine the number of shares subject to the award based on the projected achievement of the performance goals after taking into account actual achievement through the date of such Change in Control), with none of the equity underlying the to-be-vested awards subject to deferred delivery.

The Covered Employee s receipt of severance payments and benefits under the Severance Plan is conditioned upon his or her execution of an effective release of claims against the company and compliance with restrictive conditions set forth in the Severance Plan, including a condition prohibiting the solicitation of the company s customers and employees that remains in effect for a specified period following termination. This restricted period is 24 months for the Tier I participant and 18 months for the Tier II participants, as such period may be reduced or eliminated (x) by the Compensation Committee or (y) if and to the extent required to comply with the laws of the jurisdiction in which the Covered Employee was primarily providing services to the company immediately prior to such termination.

*Severance Plan Treatment of Equity Awards Held by Non-Terminated Participants upon a Change in Control*

The Severance Plan provides that if the Covered Employee remains employed on the date on which a Change in Control occurs, then:

- with respect to any outstanding time-vesting equity awards held by the Covered Employee:
  - if the company s successor does not assume, convert or replace such awards with publicly-traded equity securities (or their equivalent) having an equivalent value (and vesting schedule), the awards, to the extent unvested, will immediately vest in full; or
  - if the company s successor so assumes, converts or replaces such awards, the awards will remain subject to vesting in accordance with their terms (including the provisions described above regarding the treatment of such award upon a Qualifying Termination); and
- with respect to any outstanding performance-vesting equity awards held by the Covered Employee, the Compensation Committee will determine the projected achievement of the performance goals upon such Change in Control after taking into account actual achievement through the date of such Change in Control, and such projected performance will be used to determine the number of options or shares subject to such award that will remain eligible to vest as provided below (such options or shares, the Vesting Eligible Shares ) (any shares that do not remain eligible to vest based on the Compensation Committee s determination of projected performance being automatically forfeited on the date of such Change in Control); and

if the company s successor does not assume, convert or replace the performance-based equity award of Vesting Eligible Shares, then each outstanding Vesting Eligible Share subject to such award will immediately vest in full; or

if the company s successor so assumes, converts or replaces the performance-based equity award of Vesting Eligible Shares, then each outstanding award will convert into a time-vesting equity award that will vest in full on the date that the award would otherwise have fully vested in accordance with its terms (subject to the provisions described above regarding the treatment of such award upon a Qualifying Termination).

***Severance Benefits under Mr. Ferguson s Employment Agreement***

Mr. Ferguson is entitled to the following severance payments and benefits pursuant to his Amended and Restated Employment Agreement upon a termination of employment either (1) by us other than for Cause (excluding a termination due to Disability) or (2) by Mr. Ferguson for Constructive Termination (each such capitalized term as defined in the Amended and Restated Employment Agreement):

an amount equal to (a) 2.0, *multiplied by* (b) the sum of (1) Mr. Ferguson s annual base salary *plus* (2) his actual annual cash bonus award earned for the immediately preceding fiscal year, payable monthly over a period of 24 months;

an amount equal to 30 days of his annual base salary in lieu of notice (unless Mr. Ferguson received 30 days written notice prior to termination);

full vesting of any amounts of any annual bonus previously deferred (whether mandatorily or voluntarily) and payment to Mr. Ferguson in accordance with the terms of the applicable deferred compensation plans or arrangements of the company or its subsidiaries;

immediate accelerated vesting of the initial equity incentive award granted on February 10, 2016 to Mr. Ferguson with a target value as of the grant date of $3,000,000 and (a) with respect to the time-vesting portion, all of the shares will be delivered to Mr. Ferguson on the date of termination and (b) with respect to the performance-based portion, a number of shares will be delivered to Mr. Ferguson as determined by

**EXECUTIVE COMPENSATION**

the Compensation Committee in its discretion, following receipt of a written appraisal of Mr. Ferguson s overall performance by our Chief Executive Officer; and

vesting of other equity awards, cash incentive awards, bonuses and any other benefits, as determined in accordance with the company s plan or policy applicable to similarly situated senior executives of the company (including continued or accelerated vesting provided by the Severance Plan as described above).

Mr. Ferguson s receipt of these severance payments and benefits under his Amended and Restated Employment Agreement is conditioned upon his execution of an effective release of claims against the company and compliance with restrictive conditions set forth in his Amended and Restated Employment Agreement, including conditions prohibiting (a) the solicitation of the company s customers and employees, (b) generally any engagement in any business that competes with the business of the company, and (c) the hiring of executive-level employees, that remain in effect for a period of 24 months, as such period may be reduced or eliminated if and to the extent required to comply with the laws of the State of New York.

Mr. Ferguson is also entitled to the following severance payments and benefits pursuant to his Amended and Restated Employment Agreement upon a termination of employment by Mr. Ferguson if such termination occurs following December 31, 2019 and Mr. Ferguson has given 12-months notice of retirement:

full vesting of any amounts of any annual bonus previously deferred (whether mandatorily or voluntarily) and payment to Mr. Ferguson in accordance with the terms of the applicable deferred compensation plans or arrangements of the company or its subsidiaries;

Mr. Ferguson s actual annual bonus earned (but yet unpaid) under the cash bonus plan of the company in respect of the immediately preceding fiscal year (including any amounts deferred (voluntarily or mandatorily from such annual bonus); and

continued or accelerated vesting of any equity awards then held by Mr. Ferguson pursuant to the terms of the 2012 Plan (or any successor plan) and/or related resolutions or policies applicable to retirements of senior executives of qualifying age and tenure.

Mr. Ferguson is also entitled to the following severance payments and benefits pursuant to his Amended and Restated Employment Agreement upon a termination of employment due to death or Disability (such terminations together with termination by Mr. Ferguson for Constructive Termination or for retirement after December 31, 2019 or by us other than for Cause, a Ferguson Qualifying Termination ):

full vesting of any amounts of any annual bonus previously deferred (whether mandatorily or voluntarily) and payment to Mr. Ferguson in accordance with the terms of the applicable deferred compensation plans or arrangements of the company or its subsidiaries; and

for termination due to Disability only, Mr. Ferguson s annual base salary for the period from the date of termination until Mr. Ferguson begins receiving compensation pursuant to the company s then applicable long term disability insurance program, but in no event for a period of greater than six months.

*Hypothetical December 30, 2016 Termination under our Severance Plan and Mr. Ferguson s Employment Agreement*

In the hypothetical event that any of our named executive officers for 2016 (other than Mr. Ferguson) incurred a Qualifying Termination and Mr. Ferguson incurred a Ferguson Qualifying Termination (other than for retirement as Mr. Ferguson would not be eligible for severance benefits and payments due to his retirement before December 31, 2019) on December 30, 2016, they would have received the following severance benefits under the Severance Plan in the case of each of our named executive officers other than Mr. Ferguson and, in the case of Mr. Ferguson, pursuant to the terms of his Amended and Restated Employment Agreement:

| Name | | Cash Severance ($) | Pro-Rata Bonus[1] ($) | Accelerated Vesting of RSUs[2] ($) | Health and Welfare Benefits[3] ($) | Total* ($) |
|---|---|---|---|---|---|---|
| Robert E. Sulentic | No Change in Control | 4,950,000[4] | 1,903,800 | 8,761,102 | 30,000 | 15,644,902 |
| | During Change in Control Protection Period | 4,950,000[4] | 1,903,800 | 9,638,577 | 30,000 | 16,522,377 |
| James R. Groch | No Change in Control | 2,887,500[5] | 1,381,700 | 5,524,197 | 30,000 | 9,823,397 |
| | During Change in Control Protection Period | 2,887,500[5] | 1,381,700 | 6,910,638 | 30,000 | 11,209,838 |
| T. Ritson Ferguson[10] | Termination without Cause or due to Constructive Termination | 6,451,398[6] | | 4,777,852[9] | | 11,229,250 |
| | Termination due to Disability | 1,932,414[7] | | 3,844,504 | | 5,776,918 |
| | Termination due to Death | 1,532,414[8] | | 3,844,504 | | 5,376,918 |
| Michael J. Lafitte | No Change in Control | 2,625,000[5] | 1,342,600 | 4,519,310 | 30,000 | 8,516,910 |
| | During Change in Control Protection Period | 2,625,000[5] | 1,342,600 | 5,594,183 | 30,000 | 9,591,783 |
| Calvin W. Frese, Jr. | No Change in Control | 2,550,000[5] | 1,257,700 | 4,391,536 | 30,000 | 8,229,236 |
| | During Change in Control Protection Period | 2,550,000[5] | 1,257,700 | 5,434,127 | 30,000 | 9,271,827 |
| William F. Concannon | No Change in Control | 2,475,000[5] | 1,148,900 | 3,512,780 | 30,000 | 7,166,680 |
| | During Change in Control Protection Period | 2,475,000[5] | 1,148,900 | 4,455,174 | 30,000 | 8,109,074 |

* *Figures in this table assume no reduction in severance benefits due to operation of Internal Revenue Code 280G.*

(1) Represents (except in the case of Mr. Ferguson) the actual annual cash bonus award for 2016. Includes supplemental and discretionary one-time bonus/CEO awards made under EBP for 2016.

(2) Amounts shown are calculated by aggregating the sums determined by multiplying, for each outstanding unvested equity award, (x) the number of unvested stock units accelerating as a result of the Qualifying Termination (a portion of which may be subject to deferred delivery and continued compliance with restrictive conditions as described above), *by* (y) our per-share closing stock price on December 30, 2016 of $31.49. The value of accelerated Adjusted EPS Equity Awards is calculated assuming that the applicable performance measures are achieved at their target unit amount, except for our Adjusted EPS Equity Awards granted in 2014 (in which latter case we have assumed that those 2014 awards would have been achieved based on our actual adjusted EPS performance as later certified by our Compensation Committee on March 3, 2017). See footnote (7) to our Outstanding Equity Awards at Fiscal Year-End table on page 51.

(3) Represents (except in the case of Mr. Ferguson) the approximate value of continued health-care coverage at active employee rates for a period of 18 months and the approximate value of outplacement assistance for 12 months.

(4) Represents a lump-sum cash payment equal to two times (2x) the sum of (a) the annual base salary plus (b) the target annual cash bonus award for 2016.

(5) Represents a lump-sum cash payment equal to one-and-a-half times (1.5x) the sum of (a) the annual base salary plus (b) the target annual cash bonus award for 2016.

(6) Represents an amount equal to (x) 30 days of Mr. Ferguson s annual base salary in lieu of notice, plus (y) two times (2x) the sum of (a) Mr. Ferguson s annual base salary plus (b) his actual annual cash bonus award earned for the immediately preceding fiscal year, payable monthly over a period of 24 months, plus (z) full vesting of any amounts of any annual bonus previously deferred (whether mandatorily or voluntarily) and payment to Mr. Ferguson in accordance with the terms of the applicable deferred compensation plans or arrangements of the company or its subsidiaries.

(7) Represents an amount equal to (x) Mr. Ferguson s annual base salary for a period of six months (assuming that Mr. Ferguson does not begin receiving compensation pursuant to the company s then applicable long term disability insurance program until six months after Mr. Ferguson s termination of employment due to Disability), plus (y) full vesting of any amounts of any annual bonus previously deferred (whether mandatorily or voluntarily) under the terms of the bonus plans in which Mr. Ferguson participated prior to 2016.

(8) Represents an amount equal to full vesting of any amounts of any annual bonus previously deferred (whether mandatorily or voluntarily) under the terms of the bonus plans in which Mr. Ferguson participated prior to 2016.

(9) Amounts represent each of Mr. Ferguson s outstanding equity awards including the initial equity incentive award granted on February 10, 2016 to Mr. Ferguson with a target value as of the grant date of $3,000,000 assuming delivery of all shares to Mr. Ferguson under both the time-vesting portion and the performance-based portion of the initial equity incentive award. Amounts shown are calculated by aggregating the sums determined by multiplying, for each outstanding unvested equity award, (x) the

number of unvested stock units accelerating as a result of Mr. Ferguson s termination by us other than for Cause or by Mr. Ferguson for Constructive Termination, *by* (y) our per-share closing stock price on December 30, 2016 of $31.49.

(10) This table does not show any amounts payable to Mr. Ferguson as a result of his retirement as he was not retirement eligible on December 30, 2016.

***Death, Disability and Retirement Under 2013, 2014, 2015 and 2016 Equity Award Agreements***

Any unvested portion of our equity awards is generally forfeited upon termination of an executive s employment with the company, except as provided for under our Severance

Plan described above. In addition to the Severance Plan, the award agreements pursuant to which our 2013, 2014, 2015 and 2016 equity awards were granted provide for continued or

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accelerated vesting of the unvested portion of those awards in certain death, disability and retirement circumstances. These death, disability and retirement terms do not apply to any equity awards granted prior to 2013.

In summary:

For the Time Vesting Equity Awards, if the grantee s employment terminates due to death or disability, then any unvested portion of the award will become immediately vested. If the grantee s employment terminates due to retirement, then any unvested portion of the award will continue to vest in 25% annual increments on the original vesting schedule, subject to the grantee s compliance with non-competition, non-solicitation and confidentiality conditions through the applicable vesting date(s).

For the Adjusted EPS Equity Awards, if the grantee s employment terminates due to death, disability or retirement, then the award will vest on the date on which it would have otherwise vested under the original vesting schedule, but only if the company satisfies the minimum adjusted EPS performance threshold and, in the case of retirement subject to the grantee s compliance with non-competition, non-solicitation and confidentiality conditions through the applicable vesting date(s). The number of shares underlying the award that ultimately vest (if any) will be based on our actual adjusted EPS over the performance period relative to the adjusted EPS targets set forth in the award.

If the death, disability or retirement event occurs within twelve months following the grant date, then the unvested portion of the respective award that will immediately vest or continue to vest, as applicable, will be pro-rated based on the number of days worked during such twelve-month period prior to the termination event.

A retirement means the grantee has voluntarily terminated employment at age 62 or older with at least ten years of continuous service to the company. None of our named executive officers will be older than age 61 as of the date of the Annual Meeting.

A disability means the grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to last for a continuous period of not less than 12 months.

*Hypothetical December 30, 2016 Termination Due to Death, Disability or Retirement*

In the hypothetical event that any of our named executive officers during 2016 had terminated employment on December 30, 2016 due to death, disability or retirement under the circumstances covered by our 2013, 2014, 2015 and 2016 award agreements, they would have received (either immediately or over time, depending on the circumstances of the termination) the following in respect of their unvested 2013, 2014, 2015 and 2016 equity awards:

| Name | 2013 Equity Awards ($) | 2014 Equity Awards ($) | 2015 Equity Awards ($) | 2016 Equity Awards ($) | Total ($) |
|---|---|---|---|---|---|
| Robert E. Sulentic | 799,303 | 3,817,832 | 2,847,090 | 845,913 | 8,310,138 |
| James R. Groch | 509,902 | 2,748,809 | 2,070,593 | 615,204 | 5,944,508 |
| T. Ritson Ferguson | | | | 3,831,414 | 3,831,414 |
| Michael J. Lafitte | 509,902 | 2,260,132 | 1,601,267 | 475,752 | 4,847,053 |
| Calvin W. Frese, Jr. | 496,117 | 2,199,073 | 1,552,929 | 461,406 | 4,709,525 |
| William F. Concannon | 330,771 | 1,628,946 | 1,414,877 | 420,390 | 3,794,984 |

The foregoing amounts assume (i) the Adjusted EPS Equity Awards granted in 2014 would have been achieved based on our actual adjusted EPS performance as later certified by the Compensation Committee on March 3, 2017, (ii) the Adjusted EPS Equity Awards granted in 2015 are achieved at their target adjusted EPS performance level, (iii) all awards were valued at the closing price of our common stock on December 30, 2016, which was $31.49 per share, and (iv) in the case of retirement, the named executive officer complied with the applicable non-competition, non-solicitation and confidentiality conditions through all applicable vesting dates.

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## PROPOSAL 5 APPROVE THE 2017 EQUITY INCENTIVE PLAN

***Summary***

At the Annual Meeting, we are asking you to approve a new 2017 Equity Incentive Plan (the 2017 Plan ). The 2017 Plan was approved by the Board on March 3, 2017, conditioned on and subject to obtaining stockholder approval of the 2017 Plan on or before March 2, 2018. In order for the company to be able to continue to deduct certain amounts for performance-based awards (other than options) payable to the named executive officers whose income exceeds $1.0 million, pursuant to Section 162(m) of the Code, the plan under which such performance-based awards are granted must be approved by shareholders every five years.

We are requesting approval of the 2017 Plan because it has been five years since stockholders approved our existing plan, the 2012 Equity Incentive Plan (the 2012 Plan ). The 2017 Plan continues what we believe are good corporate governance practices from the 2012 Plan, such as requiring stockholder approval for any repricing of options or SARs, administration by a committee composed of independent directors, no automatic single-trigger vesting upon a change in control and clawback or recoupment of compensation provisions. In addition, the 2017 Plan provides several corporate governance enhancements which were not part of the 2012 Plan, including, without limitation, (i) a three-year minimum vesting period for all awards (subject to certain exceptions), (ii) limitations on share recycling and (iii) specific limits on total director compensation.

If this proposal is approved, the company will be able to continue to deduct some of the compensation paid to the named executive officers. If this proposal is not approved, some of the long-term incentive compensation paid to the

named executive officers may not be deductible, which would result in additional costs to the company.

The 2017 Plan is necessary to promote our long-term success and the creation of stockholder value by:

- Enabling us to continue to attract and retain the services of key employees who would be eligible to receive grants;

- Aligning participants interests with stockholders interests through incentives that are based upon the performance of our common stock;

- Motivating participants, through equity incentive awards, to achieve long-term growth in the company s business, in addition to short-term financial performance; and

- Providing a long-term equity incentive program that is competitive as compared to other companies with whom we compete for talent.

We currently grant stock-based incentive awards to our employees, consultants and non-employee directors under our 2012 Plan. Prior to adoption of the 2012 Plan, we granted stock-based incentive awards to our employees, consultants and non-employee directors under our Second Amended and Restated 2004 Stock Incentive Plan (the 2004 Plan ). The 2004 Plan was terminated in 2012 when we adopted the 2012 Plan. As of March 20, 2017, there were

7,589,838 shares available under the 2012 Plan (assuming the maximum number of shares that may be issued under our Adjusted EPS Equity Awards currently outstanding as of such date will later be issued). If stockholders approve the 2017 Plan, the 2012 Plan will terminate and no further awards will be granted from the 2012 Plan.

The 2017 Plan authorizes 10,000,000 shares for grants to participants (the Share Reserve ). The impact of this requested share reserve and our recent grant practices are shown below:

**Key Metrics**

| | |
|---|---|
| Dilutive effect of reserve shares | 2.9% |
| Total potential dilution, including currently outstanding awards (assuming the maximum number of shares that may be issued under our Adjusted EPS Equity Awards currently outstanding as of such date will later be issued) | 5.2% |
| Average annual burn rate, prior three fiscal years | 0.6% |

The burn rate is calculated as (i) Time Vesting Equity Awards granted in a fiscal year plus (ii) Adjusted EPS Equity Awards vested in a fiscal year; divided by the weighted average number of common shares outstanding for that fiscal year. Shares canceled or forfeited are not excluded from the calculation. Awards earned upon the attainment of performance criteria are counted in the year in which they are

earned rather than the year in which they are granted. The company continues to manage its burn rate of awards granted to reasonable levels in light of changes in its business and the number of outstanding shares while ensuring that our overall executive compensation program is competitive and supports the company s performance objectives.

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**PROPOSAL 5**

The company considered the potential dilution that would result from shareholder approval of the 2017 Plan. The 10,000,000 shares requested represents 3.0% of our shares of common stock outstanding as of March 20, 2017. The potential dilution from the 2017 Plan is 5.2%, on a fully-diluted basis, following shareholder approval of the 2017 Plan. The potential dilution is calculated as (i) equity awards outstanding (assuming

the maximum number of shares that may be issued under our Adjusted EPS Equity Awards currently outstanding as of such date will later be issued) plus the Share Reserve divided by (ii) shares of common stock outstanding plus equity awards outstanding (assuming the maximum number of shares that may be issued under our Adjusted EPS Equity Awards currently outstanding as of such date will later be issued) plus the Share Reserve.

| Year | Full Value Shares Granted (Time Vesting Equity Awards) | Full Value Shares Granted (Adjusted EPS Equity Awards) | Total Granted = Full Value Shares | Weighted Average Number of Common Shares Outstanding | Burn Rate = Total Granted / CSO |
|---|---|---|---|---|---|
| 2016 | 1,436,310 | 253,757 | 1,690,067 | 338,424,563 | 0.5% |
| 2015 | 1,535,940 | 659,698 | 2,195,638 | 336,414,856 | 0.7% |
| 2014 | 1,604,744 | 513,893 | 2,118,637 | 334,171,509 | 0.6% |
| | | | | 3-year average | 0.6% |

The 10,000,000 shares that would be available under the 2017 Plan are intended to manage our equity compensation needs for the next three years, based on our past grant practices and the current market value for our shares.

The table below shows the number of shares subject to awards under our equity compensation plans as of March 20, 2017:

| Plan Name | Subject to Awards as of 3/20/17 |
|---|---|
| 2004 Plan | 8,828 |
| 2012 Plan (assuming the maximum number of shares that may be issued under our Adjusted EPS Equity Awards currently outstanding as of such date will later be issued) | 8,345,954 |
| Total | 8,354,782 |

Of the shares shown in the above table, there were 8,828 options outstanding with a weighted average exercise price of $22.65 per share and a weighted average remaining term of 0.8 years. Further, there were 8,345,954 shares subject to restricted stock awards and restricted stock units outstanding and unvested under the 2012 Plan (assuming the maximum number of shares that may be issued under our Adjusted EPS Equity Awards currently outstanding as of such date will later be issued). As of March 20, 2017, the fair market value of a share of our common stock (as determined by the closing price quoted by NYSE on that date) was $35.55 per share.

Similar to the 2012 Plan, the 2017 Plan will permit the discretionary award of restricted stock, stock units, incentive stock options ( ISOs ), nonstatutory stock options ( NSOs ), stock appreciation rights ( SARs ), other equity awards and/o cash awards to participants. Such awards may be granted beginning on the date of stockholder approval of the 2017 Plan and continuing through March 3, 2027, or the earlier termination of the 2017 Plan, subject to the number of available shares remaining in the 2017 Plan.

***Text of 2017 Plan***

The complete text of the 2017 Plan is attached as ***Annex B*** to this Proxy Statement. Stockholders are urged to review the 2017 Plan together with the following information, which is

qualified in its entirety by reference to ***Annex B***. If there is any inconsistency between this Proposal 5 and the 2017 Plan terms, or if there is any inaccuracy in this Proposal 5, the terms of the 2017 Plan shall govern.

***Key Features of the 2017 Plan***

Certain key features of the 2017 Plan are summarized as follows:

The 2017 Plan authorizes for grant a maximum of 10,000,000 common shares. The dilutive effect of the new reserve is approximately 2.9%.

If not terminated earlier by the Board, the 2017 Plan will terminate on March 3, 2027.

The 2017 Plan will generally be administered by a committee comprised solely of independent members of the Board, which will be the Compensation Committee unless otherwise designated by the Board ( 2017 Plan Committee ). The Board or 2017 Plan Committee may designate a separate committee to make awards to employees who are not Section 16 officers.

Employees, consultants and non-employee directors are eligible to receive awards, provided that the 2017 Plan Committee has the discretion to determine (i) who shall receive any awards, and (ii) the terms and conditions of such awards.

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**PROPOSAL 5**

Minimum vesting of three years for all awards granted under the 2017 Plan (other than awards granted in substitution of an award previously granted and stock grants or stock unit grants to non-employee directors in lieu of fees that would otherwise be paid in cash and except in connection with a change in control or as a result of a participant s death, disability or retirement); except that no minimum vesting is required for awards granted by a committee comprised solely of independent members of the Board that in the aggregate do not exceed 5% of the Share Reserve established under the 2017 Plan.