

ACUITY BRANDS INC
Form 10-Q
June 29, 2011

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 31, 2011

OR

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

For the transition period from **to**

Commission file number 001-16583

ACUITY BRANDS, INC.

(Exact name of registrant as specified in its charter)

**Delaware
(State or other jurisdiction of
incorporation or organization)**

**58-2632672
(I.R.S. Employer
Identification Number)**

**1170 Peachtree Street, N.E., Suite 2400, Atlanta,
Georgia**

30309

(Address of principal executive offices)

(Zip Code)

(404) 853-1400

(Registrant's telephone number, including area code)

None

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock \$0.01 Par Value 43,338,989 shares as of June 27, 2011.

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ACUITY BRANDS, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except share and per-share data)

	May 31, 2011 (unaudited)	August 31, 2010
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 160.8	\$ 191.0
Accounts receivable, less reserve for doubtful accounts of \$1.7 at May 31, 2011 and \$2.0 at August 31, 2010	255.3	255.1
Inventories	178.0	149.0
Deferred income taxes	16.2	17.3
Prepayments and other current assets	16.2	13.9
Total Current Assets	626.5	626.3
Property, Plant, and Equipment, at cost:		
Land	8.8	7.6
Buildings and leasehold improvements	123.8	113.7
Machinery and equipment	362.0	337.5
Total Property, Plant, and Equipment	494.6	458.8
Less Accumulated depreciation and amortization	347.6	320.4
Property, Plant, and Equipment, net	147.0	138.4
Other Assets:		
Goodwill	575.4	515.6
Intangible assets	212.5	199.5
Deferred income taxes	3.8	3.7
Other long-term assets	25.8	20.1
Total Other Assets	817.5	738.9
Total Assets	\$ 1,591.0	\$ 1,503.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 188.3	\$ 195.0
Accrued compensation	36.7	51.8
Accrued pension liabilities, current	1.1	1.1
Other accrued liabilities	87.2	73.4
Total Current Liabilities	313.3	321.3

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Long-Term Debt	353.4	353.3
Accrued Pension Liabilities, less current portion	71.8	71.1
Deferred Income Taxes	14.5	10.2
Self-Insurance Reserves, less current portion	7.4	7.6
Other Long-Term Liabilities	51.6	45.7
Commitments and Contingencies (see <i>Commitments and Contingencies</i> footnote)		
Stockholders' Equity:		
Preferred stock, \$0.01 par value; 50,000,000 shares authorized; none issued		
Common stock, \$0.01 par value; 500,000,000 shares authorized; 50,905,733 issued and 42,650,978 outstanding at May 31, 2011; and 50,441,634 issued and 42,116,473 outstanding at August 31, 2010	0.5	0.5
Paid-in capital	676.2	661.9
Retained earnings	512.5	459.0
Accumulated other comprehensive loss items	(57.4)	(71.3)
Treasury stock, at cost, 8,254,755 shares at May 31, 2011 and 8,325,161 shares at August 31, 2010	(352.8)	(355.7)
Total Stockholders' Equity	779.0	694.4
Total Liabilities and Stockholders' Equity	\$ 1,591.0	\$ 1,503.6

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

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ACUITY BRANDS, INC.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(In millions, except per-share data)

	Three Months Ended		Nine Months Ended	
	May 31,		May 31,	
	2011	2010	2011	2010
Net Sales	\$ 458.3	\$ 407.6	\$ 1,299.5	\$ 1,182.7
Cost of Products Sold	268.6	244.0	769.9	705.6
Gross Profit	189.7	163.6	529.6	477.1
Selling, Distribution, and Administrative Expenses	139.5	124.7	396.7	362.2
Special Charge		(0.3)		5.2
Operating Profit	50.2	39.2	132.9	109.7
Other Expense (Income):				
Interest expense, net	7.5	7.3	22.5	22.1
Miscellaneous expense, net	0.9	(1.0)	2.9	(1.1)
Loss on early debt extinguishment				10.5
Total Other Expense	8.4	6.3	25.4	31.5
Income before Provision for Income Taxes	41.8	32.9	107.5	78.2
Provision for Income Taxes	14.7	11.6	36.2	26.4
Income from Continuing Operations	27.1	21.3	71.3	51.8
Income from Discontinued Operations				0.6
Net Income	\$ 27.1	\$ 21.3	\$ 71.3	\$ 52.4
Earnings Per Share:				
Basic Earnings per Share from Continuing Operations	\$ 0.63	\$ 0.49	\$ 1.66	\$ 1.20
Basic Earnings per Share from Discontinued Operations				0.01
Basic Earnings per Share	\$ 0.63	\$ 0.49	\$ 1.66	\$ 1.21
Basic Weighted Average Number of Shares Outstanding	42.5	42.7	42.3	42.5
Diluted Earnings per Share from Continuing Operations	\$ 0.62	\$ 0.48	\$ 1.63	\$ 1.17
Diluted Earnings per Share from Discontinued Operations				0.01
Diluted Earnings per Share	\$ 0.62	\$ 0.48	\$ 1.63	\$ 1.18
Diluted Weighted Average Number of Shares Outstanding	43.1	43.5	42.9	43.3
Dividends Declared per Share	\$ 0.13	\$ 0.13	\$ 0.39	\$ 0.39

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

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ACUITY BRANDS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In millions)

	Nine Months Ended	
	May 31,	
	2011	2010
Cash Provided by (Used for) Operating Activities:		
Net income	\$ 71.3	\$ 52.4
Deduct: Gain from Discontinued Operations		(0.6)
Income from Continuing Operations	71.3	51.8
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	29.7	27.7
Noncash compensation expense, net	5.2	5.9
Excess tax benefits from share-based payments	(5.1)	(1.5)
Loss on early debt extinguishment		10.5
Loss on the sale or disposal of property, plant, and equipment	0.1	0.1
Asset impairments	0.1	3.4
Deferred income taxes	(1.4)	(2.0)
Other non-cash items		0.7
Change in assets and liabilities, net of effect of acquisitions, divestitures and effect of exchange rate changes:		
Accounts receivable	10.2	(10.2)
Inventories	(17.6)	(3.1)
Prepayments and other current assets	0.6	(2.7)
Accounts payable	(10.1)	2.9
Other current liabilities	(2.9)	13.4
Other	1.5	0.1
Net Cash Provided by Operating Activities	81.6	97.0
Cash Provided by (Used for) Investing Activities:		
Purchases of property, plant, and equipment	(17.4)	(15.9)
Proceeds from sale of property, plant, and equipment	1.3	0.2
Acquisitions of businesses and intangible assets	(90.4)	
Net Cash Used for Investing Activities	(106.5)	(15.7)
Cash Provided by (Used for) Financing Activities:		
Repayments of long-term debt		(237.9)
Issuance of long-term debt		346.5
Repurchases of common stock	(2.9)	
Proceeds from stock option exercises and other	5.8	4.9
Excess tax benefits from share-based payments	5.1	1.5
Dividends paid	(16.9)	(17.0)
Net Cash (Used for) Provided by Financing Activities	(8.9)	98.0

Effect of Exchange Rate Changes on Cash	3.6	(3.5)
Net Change in Cash and Cash Equivalents	(30.2)	175.8
Cash and Cash Equivalents at Beginning of Period	191.0	18.7
Cash and Cash Equivalents at End of Period	\$ 160.8	\$ 194.5
Supplemental Cash Flow Information:		
Income taxes paid during the period	\$ 21.6	\$ 25.0
Interest paid during the period	\$ 17.2	\$ 17.9

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

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ACUITY BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(Amounts in millions, except per-share data and as indicated)

1. Description of Business and Basis of Presentation

Acuity Brands, Inc. (Acuity Brands) is the parent company of Acuity Brands Lighting, Inc. (ABL), and other subsidiaries (collectively referred to herein as the Company). The Company designs, produces, and distributes a broad array of indoor and outdoor lighting fixtures and related products, including lighting controls, and services for commercial and institutional, industrial, infrastructure, and residential applications for various markets throughout North America and select international markets. The Company has one operating segment.

On May 12, 2011, the Company acquired for cash all of the ownership interests in Healthcare Lighting, Inc. (Healthcare Lighting), a leading provider of specialized, high-performance lighting products for healthcare facilities based in Fairview, Pennsylvania. The operating results for Healthcare Lighting have been included in the Company s consolidated financial statements since the date of acquisition.

On February 23, 2011, the Company acquired for cash all of the ownership interests in Washoe Equipment, Inc., d/b/a Sunoptics Prismatic Skylights, and CBC Plastics LLC (collectively, Sunoptics), a premier designer, manufacturer, and marketer of high-performance, prismatic daylighting solutions based in Sacramento, California. The operating results for Sunoptics have been included in the Company s consolidated financial statements since the date of acquisition.

On October 14, 2010, the Company acquired for cash all of the outstanding capital stock of Winona Lighting, Inc. (Winona Lighting), a premier provider of architectural and high-performance indoor and outdoor lighting products headquartered in Winona, Minnesota. The operating results for Winona Lighting have been included in the Company s consolidated financial statements since the date of acquisition.

On July 26, 2010, the Company acquired for cash the remaining outstanding capital stock of Renaissance Lighting, Inc. (Renaissance), a privately-held innovator of solid-state light-emitting diode (LED) architectural lighting based in Herndon, Virginia. Previously, the Company entered into a strategic partnership with Renaissance, which included a noncontrolling interest in Renaissance and a license to Renaissance s intellectual property estate. The operating results of Renaissance have been included in the Company s consolidated financial statements since the date of acquisition.

The *Consolidated Financial Statements* have been prepared by the Company in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and present the financial position, results of operations, and cash flows of Acuity Brands and its wholly-owned subsidiaries. References made to years are for fiscal year periods.

The unaudited interim consolidated financial statements included herein have been prepared by the Company in accordance with U.S. GAAP and present the financial position, results of operations, and cash flows of the Company. These interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary to present fairly the Company s consolidated financial position as of May 31, 2011, the consolidated results of operations for the three and nine months ended May 31, 2011 and 2010, and the consolidated cash flows for the nine months ended May 31, 2011 and 2010. Certain information and footnote disclosures normally included in the Company s annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. However, the Company believes that the disclosures included herein are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the audited consolidated financial statements of the Company as of and for the three years ended August 31, 2010 and notes thereto included in the Company s Annual Report on Form 10-K filed with the Securities and Exchange Commission (the SEC) on October 29, 2010 (File No. 001-16583) (Form 10-K).

The results of operations for the three and nine months ended May 31, 2011 and 2010 are not necessarily indicative of the results to be expected for the full fiscal year because the net sales and net income of the Company historically have been higher in the second half of its fiscal year and because of the continued uncertainty of general economic conditions that may impact the key end markets of the Company for the remainder of fiscal 2011.

2. Discontinued Operations

Acuity Brands completed the spin-off of its specialty products business (the Spin-off), Zep Inc. (Zep) on October 31, 2007, by distributing all of the shares of Zep common stock, par value \$0.01 per share, to the Company s stockholders of record as of October 17, 2007. As a result of the Spin-off, the Company s financial statements have been prepared with the results of operations and cash flows of the specialty products business presented as discontinued operations.

In conjunction with the Spin-off, Acuity Brands and Zep entered into various agreements that address the allocation of assets and liabilities between them and that define their relationship after the separation, including a distribution agreement, a tax disaffiliation agreement, an employee benefits agreement, and a transition services agreement. During the second quarter of fiscal 2010, income from discontinued operations was recognized in the amount of \$0.6 related to the revision of estimates of certain legal reserves established at the time of the Spin-off. As with the original reserve, the income from discontinued operations had no income tax effect.

Table of Contents**ACUITY BRANDS, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)***(Amounts in millions, except per-share data and as indicated)***3. Significant Accounting Policies*****Use of Estimates***

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior-period amounts have been reclassified to conform to current year presentation.

Subsequent Events

The Company has evaluated subsequent events for recognition and disclosure for occurrences and transactions after the date of the condensed financial statements at May 31, 2011.

Revenue Recognition

The Company records revenue when the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the Company's price to the customer is fixed and determinable, and collectability is reasonably assured. Delivery is not considered to have occurred until the customer assumes the risks and rewards of ownership. Customers take delivery at the time of shipment for terms designated free on board shipping point. For sales designated free on board destination, customers take delivery when the product is delivered to the customer's delivery site. Provisions for certain rebates, sales incentives, product returns, and discounts to customers are recorded in the same period the related revenue is recorded. The Company also maintains one-time or on-going marketing and trade-promotion programs with certain customers that require the Company to estimate and accrue the expected costs of such programs. These arrangements include cooperative marketing programs, merchandising of the Company's products, and introductory marketing funds for new products and other trade-promotion activities conducted by the customer. Costs associated with these programs are reflected within the Company's *Consolidated Statements of Income* in accordance with the Accounting Standards Codification (ASC) Topic 605, *Revenue Recognition* (ASC 605), which in most instances requires such costs be recorded as a reduction of revenue.

The Company provides for limited product return rights to certain distributors and customers, primarily for slow moving or damaged items subject to certain defined criteria. The Company monitors product returns and, at the time revenue is recognized, records a provision for the estimated amount of future returns based primarily on historical experience and specific notification of pending returns. Although historical product returns generally have been within expectations, there can be no assurance that future product returns will not exceed historical amounts. A significant increase in product returns could have a material impact on the Company's operating results in future periods.

Revenue is earned on services and the sale of products. Revenue is recognized for the sale of products when the above criteria are met and for services rendered in the period of performance.

Revenue Recognition for Arrangements with Multiple Deliverables

A small portion of the Company's revenues are derived from (i) the sale and license of its products, (ii) fees associated with training, installation, and technical support services, and (iii) monitoring and control services. Certain agreements, particularly related to lighting controls systems, represent multiple-element arrangements that include tangible products that contain software that is essential to the functionality of the systems and undelivered elements that primarily relate to installation and monitoring and control services. The undelivered elements associated with installations and monitoring and control services are reviewed and analyzed to determine separability in relation to the delivered elements and appropriate pricing treatment based on (a) vendor-specific objective evidence, (b) third-party evidence, or (c) estimates. If deemed separate units of accounting, the revenue and associated cost of sales related to the delivered elements are realized at the time of delivery, while those related to the undelivered elements are recognized appropriately based on the period of performance. If the separation criterion for the undelivered elements is not met due to the undelivered elements being essential to the functionality of the lighting controls systems, all revenue and cost of sales attributable to the contract are deferred at the time of sale and are both generally recognized

on a straight-line basis over the respective contract periods.

For a description of other significant accounting policies, see the *Summary of Significant Accounting Policies* footnote to the Financial Statements included in the Company's Form 10-K. There have been no material changes to the Company's significant accounting policies since the filing of the Company's Form 10-K, except as noted above and in the *New Accounting Pronouncements* footnote.

Table of Contents**ACUITY BRANDS, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)***(Amounts in millions, except per-share data and as indicated)***4. New Accounting Pronouncements*****Accounting Standards Adopted in Fiscal 2011***

In September 2009, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2009-13, *Revenue Recognition (Topic 605) Multiple-Deliverable Revenue Arrangements* (ASU 2009-13). ASU 2009-13 addresses the accounting for multiple-deliverable arrangements to enable vendors to account for products or services (deliverables) separately rather than as a combined unit. Specifically, this guidance amends the criteria in Subtopic 605-25, *Revenue Recognition-Multiple-Element Arrangements*, for separating consideration in multiple-deliverable arrangements. A selling price hierarchy is established for determining the selling price of a deliverable, which is based on: (a) vendor-specific objective evidence; (b) third-party evidence; or (c) estimates. This guidance also eliminates the residual method of allocation and requires that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method. Additional disclosures related to a vendor's multiple-deliverable revenue arrangements are also required by this update. ASU 2009-13 is effective prospectively for revenue arrangements entered into, or materially modified, in fiscal years beginning on or after June 15, 2010, with early adoption permitted. Therefore, ASU 2009-13 became effective on a prospective basis for the Company on September 1, 2010. The adoption of ASU 2009-13 had an immaterial impact on the Company's results of operations, financial condition, and cash flows.

In September 2009, the FASB issued ASU No. 2009-14, *Software (Topic 985) Certain Revenue Arrangements That Include Software Elements* (ASU 2009-14). ASU 2009-14 changes the accounting model for revenue arrangements that include both tangible products and software elements to allow for alternatives when vendor-specific objective evidence does not exist. Under this guidance, tangible products containing software components and non-software components that function together to deliver the tangible product's essential functionality and hardware components of a tangible product containing software components are excluded from the software revenue guidance in Subtopic 985-605, *Software-Revenue Recognition*; thus, these arrangements are excluded from this update. ASU 2009-14 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. Therefore, ASU 2009-14 became effective on a prospective basis for the Company on September 1, 2010. The adoption of ASU 2009-14 had an immaterial impact on the Company's results of operations, financial condition, and cash flows.

Accounting Standards Yet to Be Adopted

In December 2010, the FASB issued ASU No. 2010-29, *Business Combinations (Topic 805) Disclosure of Supplementary Pro Forma Information for Business Combinations* (ASU 2010-29). This standard update clarifies that, when presenting comparative financial statements, SEC registrants should disclose revenue and earnings of the combined entity as though the current period business combinations had occurred as of the beginning of the comparable prior annual reporting period only. The update also expands the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. ASU 2010-29 is effective prospectively for material (either on an individual or aggregate basis) business combinations entered into in fiscal years beginning on or after December 15, 2010, with early adoption permitted. ASU 2010-29 is therefore effective for the Company for acquisitions made after the beginning of fiscal 2012. The Company does not expect ASU 2010-29 to have a material effect on the Company's results of operations, financial condition, and cash flows; however, the Company may have additional disclosure requirements if a material acquisition occurs.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820) Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04), which clarifies the wording and disclosures required in Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement* (ASC 820), to converge with those used (to be used) in International Financial Reporting Standards (IFRS). The update explains how to measure and disclose fair value under ASC 820. However, the FASB does not expect the changes in this standards update to alter the current application of the requirements in ASC 820.

The provisions of ASU 2011-04 are effective for public entities prospectively for interim and annual periods beginning after December 15, 2011. Early adoption is prohibited. Therefore, ASU 2011-04 is effective for the Company during the third quarter of fiscal 2012. The Company does not expect ASU 2011-04 to have a material effect on the Company's results of operations, financial condition, and cash flows.

5. Acquisitions

The Company has actively pursued opportunities for investment and growth, particularly over the prior twelve months. Since the fourth quarter of fiscal 2010, the Company has acquired a number of businesses within the lighting and controls market, as discussed below. None of the business combinations individually or in the aggregate represented a material transaction as compared to the Company's financial condition, results of operations, or cash flows in any of the periods in which control was obtained.

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ACUITY BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(Amounts in millions, except per-share data and as indicated)

Healthcare Lighting Acquisition

On May 12, 2011, the Company acquired for cash all of the ownership interests in Healthcare Lighting, a leading provider of specialized, high-performance lighting products for healthcare facilities. Based in Fairview, Pennsylvania, Healthcare Lighting exclusively focused on servicing the healthcare industry through the design and manufacture of medical lighting products meant to enhance the visual environment in healthcare settings.

The Company expensed an immaterial amount of acquisition costs in current quarter earnings.

The operating results of Healthcare Lighting have been included in the Company's consolidated financial statements since the date of acquisition and are not material to the Company's financial condition, results of operations, or cash flows. Preliminary amounts related to the acquisition are reflected in the *Consolidated Balance Sheets* as of May 31, 2011. These amounts are deemed to be provisional until disclosed otherwise, as the Company continues to gather information related to the identification and valuation of intangible and other acquired assets and liabilities.

Refer to the *Goodwill and Intangible Assets* footnote for preliminary details related to the business combination.

Sunoptics Acquisition

On February 23, 2011, the Company acquired for cash all of the ownership interests in Sunoptics, a premier provider of high-performance, prismatic daylighting solutions based in Sacramento, California. Sunoptics high-performance prismatic skylights optimized lighting performance through the use of sustainable and energy-efficient solutions for retail, industrial, warehouse, education, government, and office applications.

The Company expensed an immaterial amount of acquisition costs during fiscal 2011.

The operating results of Sunoptics have been included in the Company's consolidated financial statements since the date of acquisition and are not material to the Company's financial condition, results of operations, or cash flows. Preliminary amounts related to the acquisition are reflected in the *Consolidated Balance Sheets* as of May 31, 2011. These amounts are deemed to be provisional until disclosed otherwise, as the Company continues to gather information related to the identification and valuation of intangible and other acquired assets and liabilities.

Refer to the *Goodwill and Intangible Assets* footnote for preliminary details related to the business combination.

Winona Lighting Acquisition

On October 14, 2010, the Company acquired for cash all of the outstanding capital stock of Winona Lighting, a premier provider of architectural and high-performance indoor and outdoor lighting products headquartered in Minnesota. Recognized throughout the architectural design community, Winona Lighting served the commercial, retail, and institutional markets with a product portfolio of high-quality and design-oriented luminaires suitable for decorative, custom, asymmetric, and landscape lighting applications.

The Company expensed an immaterial amount of acquisition costs during the first nine months of fiscal 2011.

The operating results of Winona Lighting have been included in the Company's consolidated financial statements since the date of acquisition and are not material to the Company's financial condition, results of operations, or cash flows. Preliminary amounts related to the acquisition are reflected in the *Consolidated Balance Sheets* as of May 31, 2011. These amounts are deemed to be provisional until disclosed otherwise, as the Company continues to gather information related to the identification and valuation of intangible and other acquired assets and liabilities.

Refer to the *Goodwill and Intangible Assets* footnote for preliminary details related to the business combination.

Renaissance Acquisition

On July 26, 2010, the Company acquired for cash the remaining outstanding capital stock of Renaissance. Renaissance, based in Herndon, Virginia, offered a full range of LED-based specification-grade downlighting luminaires and had developed an extensive intellectual property portfolio related to advanced LED optical solutions and technologies.

The operating results of Renaissance have been included in the Company's consolidated financial statements since the date of acquisition and are not material to the Company's financial condition, results of operations, or cash flows. Preliminary amounts related to the acquisition are reflected in the *Consolidated Balance Sheets* as of May 31, 2011. These amounts are deemed to be provisional until disclosed otherwise as the Company continues to gather

information related to the identification and valuation of intangible and other acquired assets and liabilities. For a detailed discussion of the Renaissance acquisition, please refer to the Company's Form 10-K.

Table of Contents**ACUITY BRANDS, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)***(Amounts in millions, except per-share data and as indicated)***6. Fair Value Measurements**

The Company determines a fair value measurement based on the assumptions a market participant would use in pricing an asset or liability. ASC 820, *Fair Value Measurements and Disclosures* (ASC 820), establishes a three level hierarchy making a distinction between market participant assumptions based on (i) unadjusted quoted prices for identical assets or liabilities in an active market (Level 1), (ii) quoted prices in markets that are not active or inputs that are observable either directly or indirectly for substantially the full term of the asset or liability (Level 2), and (iii) prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (Level 3).

The following table presents information about assets and liabilities required to be carried at fair value and measured on a recurring basis as of May 31, 2011 and August 31, 2010:

	Fair Value Measurements as of:			
	May 31, 2011		August 31, 2010	
	Level 1	Total Fair Value	Level 1	Total Fair Value
Assets:				
Cash and cash equivalents	\$ 160.8	\$ 160.8	\$ 191.0	\$ 191.0
Short-term investments (1)	0.8	0.8	1.3	1.3
Long-term investments (1)	1.3	1.3	1.8	1.8
				<u>ANNEX B 2017</u>
				<u>Equity Incentive Plan</u>

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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.

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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

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:

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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.

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PROPOSAL 1

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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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)	Annual say on pay votes, with most recent favorable say on pay vote 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.

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CORPORATE GOVERNANCE

Stockholder Recommendations and Nominations of Director Candidates

Stockholder Recommendations

If you are a stockholder who would like to recommend a candidate for our Governance Committee to consider for possible inclusion in our 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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CORPORATE GOVERNANCE

Board Risk Management

Oversight of Risk

The Board oversees risk management.

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

Company management is charged with managing risk through rigorous 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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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
<i>Number of Meetings</i>	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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CORPORATE GOVERNANCE

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

of the Governance Committee are independent within the meaning of the listing standards and rules of the NYSE.

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

Board Attendance at Annual Meeting of Stockholders

Although the Board understands that there may be situations that prevent a director from attending an annual meeting of stockholders, it is the Board's policy that all directors should attend these meetings. All of our incumbent 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.

Table of Contents**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	Change in Pension Value and Nonqualified Stock-Deferred Compensation			
	Fees Earned or Paid in Cash ⁽¹⁾	Awards ⁽²⁾⁽³⁾	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)

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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.

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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.

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(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.

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CORPORATE GOVERNANCE

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

Table of Contents**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.

Table of Contents**AUDIT AND OTHER FEES**

The following table shows the fees for audit and other services provided by KPMG LLP for the fiscal years ended December 31, 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

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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.

Table of Contents**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 Solution ⁽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 revenue³ 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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COMPENSATION DISCUSSION AND ANALYSIS

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.

Table of Contents**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	<p>Provides a minimum level of fixed compensation necessary to attract and retain senior executives.</p> <p>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.</p>	<p>In 2016, the Committee did not adjust base salaries for Messrs. Sulentic, Groch, Lafitte, Frese or Concannon.</p> <p>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.</p>
Annual Performance Awards	<p>Variable cash incentive opportunity tied to achievement of financial and individual strategic objectives.</p> <p>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.</p> <p>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).</p> <p>Mr. Ferguson had a target cash performance award opportunity,</p>	<p>In 2016, the Committee did not increase the target annual performance award for Messrs. Sulentic, Groch, Lafitte, Frese or Concannon relative to 2015.</p> <p>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%</p>

consisting of a financial portion (60% of the total award for 2016) and a strategic measures portion (40% of the total award for 2016). Each named executive officer exceeded their strategic performance objectives resulting in strategic adjustments ranging from 125% to 140%.

Actual cash incentive awards earned can range from zero to 200% of target.

An executive may also earn a supplemental and discretionary bonus award in cases of exceptional and exceedingly deserving circumstances.

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.

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.

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.

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

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COMPENSATION DISCUSSION AND ANALYSIS

Compensation

Component	Description and Purpose	Committee Actions for 2016
		<p>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.</p> <p>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.</p>

Corporate Governance Highlights

Compensation and Corporate Governance Policies and Practices	
<i>Independence</i>	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.
<i>No Hedging</i>	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.
<i>Compensation Clawback Policy</i>	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.

Table of Contents**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.

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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.

	2016 Base	
Name	Salary	Change from 2015
Robert E. Sulentic	\$ 990,000	No change.
President and Chief Executive Officer		
James R. Groch	\$ 770,000	No change.
Chief Financial Officer and Global Director of Corporate Development		
T. Ritson Ferguson	\$ 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.
Chief Executive Officer CBRE Global Investors		
Michael J. Lafitte	\$ 700,000	No change.
Global Group President, Lines of Business and Client Care		
Calvin W. Frese, Jr.	\$ 680,000	No change.
Global Group President, Geographies		
William F. Concannon	\$ 675,000	No change.
Chief Executive Officer Global Workplace Solutions		

Table of Contents**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	\$ 1,485,000	No change.
President and Chief Executive Officer		
James R. Groch	\$ 1,155,000	No change.
Chief Financial Officer and Global Director of Corporate Development		
T. Ritson Ferguson	\$ 969,231 ⁽¹⁾	Mr. Ferguson was not a named executive officer for 2015, and so we do not present compensation information for him for
Chief Executive Officer CBRE Global Investors		

		that year.
Michael J. Lafitte	\$ 1,050,000	No change.
Global Group President, Lines of Business and Client Care		
Calvin W. Frese, Jr.	\$ 1,020,000	No change.
Global Group President, Geographies		
William F. Concannon	\$ 975,000	No change.

Chief Executive Officer Global Workplace Solutions

(1) 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, 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 EBITDA⁵ 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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The 2016 adjusted EBITDA targets for our named executive officers, as compared to actual adjusted EBITDA in 2016, were as follows:

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

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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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.

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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	Global adjusted EBITDA 100%	Mr. Sulentic was expected to achieve specific objectives set for him in the following areas:	\$ 1,485,000	\$ 1,403,800 ⁽¹⁾
President and Chief Executive Officer		Refreshment of the company's business strategy		
		Advancement of leadership structure		
		Cost control		
		Data strategy advancements		
	<i>Actual Achievement Against Target</i>	<i>Strategic Performance</i>		
	96.3%	Rating: 140%		
	<i>Adjustment Factor: 87.5%</i>			

(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.

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COMPENSATION DISCUSSION AND ANALYSIS

Name	Financial Measures	Strategic Measures	2016 Target	2016 Payout
James R. Groch Chief Financial Officer and Global Director of Corporate Development	Global adjusted EBITDA 100%	Mr. Groch was expected to achieve specific objectives set for him in the following areas: Refreshment of the company's business strategy Finance team development and recruitment Cost control Data strategy advancements	\$ 1,155,000	\$ 1,081,700 ⁽²⁾
<i>Actual Achievement Against Target: 96.3%</i>		<i>Strategic Performance Rating: 135%</i>		
<i>Adjustment Factor: 87.5%</i>				
T. Ritson Ferguson Chief Executive Officer CBRE Global Investors	Global adjusted EBITDA 25% Development Services adjusted EBITDA 10% Global Investment Management adjusted EBITDA 65%	Mr. Ferguson was expected to achieve specific objectives set for him in the following areas: Global Investors leadership transition Clarion Securities leadership transition Growth of Global Investment Management business 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)

Strategic Performance Rating: 125%

Global Adjustment Factor: 87.5%

Development Services Adjustment Factor: 200.0%

Global Investment Management Adjustment Factor: 0.0%

Michael J. Lafitte Global Group President, Lines of Business and Client Care	Global adjusted EBITDA 100%	Mr. Lafitte was expected to achieve specific objectives set for him in the following areas: Development of the project management leadership team Advancement of Global Workplace Solutions business in key strategic areas Capital Markets business growth Growth and execution in EMEA Cost control	\$ 1,050,000	\$ 992,600 ⁽²⁾
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Actual Achievement Against Target: 96.3%

Strategic Performance Rating: 140%

Adjustment Factor: 87.5%

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

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

*Global Adjustment
Factor: 87.5%*

*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.

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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.

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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	
President and Chief Executive Officer	\$ 2,062,500
James R. Groch	
Chief Financial Officer and Global Director of Corporate Development	\$ 1,500,000
T. Ritson Ferguson	
Chief Executive Officer CBRE Global Investors	\$ 800,000 ⁽²⁾
Michael J. Lafitte	
Global Group President, Lines of Business and Client Care	\$ 1,160,000
Calvin W. Frese, Jr.	
Global Group President, Geographies	\$ 1,125,000
William F. Concannon	
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

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

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

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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

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

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(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 date. 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 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 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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Table of Contents**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.

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

Name	Option Awards				Stock Awards		Equity Incentive Plan Awards:	
	Number of Securities Underlying Unexercised Options That Have Not Vested ⁽¹⁾⁽²⁾	Number of Securities Underlying Exercised Options That Have Not Vested ⁽³⁾⁽⁴⁾⁽⁵⁾	Exercise Price ⁽⁶⁾	Expiration Date ⁽⁶⁾	Market Value of Shares or Units of Stock That Have Not Vested ⁽⁶⁾	Unearned Shares, Units or Other Rights That Have Not Vested ⁽⁷⁾⁽⁸⁾	Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ⁽⁶⁾	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 date. 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 date. 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.

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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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Table of Contents**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.

Name	Option Awards		Stock Awards	
	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

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EXECUTIVE COMPENSATION

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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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

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(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.

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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

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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.

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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:

		Cash		Accelerated	Health and	
		Severance	Pro-Rata	Vesting of	Welfare	Total*
			Bonus⁽¹⁾	RSUs⁽²⁾	Benefits⁽³⁾	
Name		(\$)	(\$)	(\$)	(\$)	(\$)
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.

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- (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:

	2013 Equity Awards	2014 Equity Awards	2015 Equity Awards	2016 Equity Awards	Total
Name	(\$)	(\$)	(\$)	(\$)	(\$)
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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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/or 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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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.

Stock options and SARs may not be granted at a per share exercise price below the fair market value of a share of our common stock on the date of grant.

Awards can qualify as tax deductible qualified performance-based compensation within the meaning of the Internal Revenue Code (Code) Section 162(m) depending on the terms of the award.

Description of the 2017 Plan

The 2017 Plan permits the grant of the following types of equity-based incentive awards: (i) restricted stock, (ii) restricted stock units, (iii) stock options (which can be either ISOs or NSOs), (iv) SARs, (v) other equity awards and (vi) cash awards. The vesting of equity awards can be based on continuous service and/or performance goals.

Eligibility to Receive Awards. All of our employees, consultants and non-employee directors are eligible to receive awards under the 2017 Plan. The 2017 Plan Committee determines, in its discretion, the participants who will be granted awards under the 2017 Plan. Historically, we have granted awards to approximately 250 employees (including our executive officers) in any given year, out of a total employee pool of approximately 75,000 as of December 31, 2016. Many of these grants are made to the same individuals each year. We typically grant awards to employees (including executive officers) based on recommendations from management each year that reflect performance and retention objectives, in addition to any other objectives that our Compensation Committee may determine to be relevant. With respect to our non-employee directors, our grants will be made in accordance with an automatic grant program established pursuant to the Board's director compensation policy as described above under Corporate Governance Director Compensation on page 17. Non-employee directors may continue to elect to receive stock grants or stock units in lieu of fees that would otherwise be paid in cash.

Shares Subject to the 2017 Plan. If stockholders approve the 2017 Plan pursuant to this Proposal 5, the maximum number of common shares that can be issued under the 2017 Plan is 10,000,000 shares. Shares underlying expired, canceled, forfeited or terminated awards (other than awards granted in substitution of an award previously granted), plus those utilized to pay tax withholding obligations with respect to an

award (other than an option or SAR) will become available again for issuance under the 2017 Plan. Shares (i) tendered or withheld to pay an option's exercise price, (ii) tendered to satisfy withholding taxes in connection with the exercise of options or SARs, (iii) not issued upon the settlement of a SAR that settles in shares (or could settle in shares) or (iv) purchased on the open market with cash proceeds from the exercise of options or SARs will not become available again for issuance under the 2017 Plan.

Administration of the 2017 Plan. The 2017 Plan will be administered by our Board's Compensation Committee, acting as the 2017 Plan Committee, which must consist of independent Board members under NYSE rules. With respect to certain awards issued under the 2017 Plan, the members of the 2017 Plan Committee also must be non-employee directors under Rule 16b-3 of the Exchange Act and/or outside directors under Section 162(m) of the Code. Subject to the terms of the 2017 Plan, the 2017 Plan Committee has the sole discretion, among other things, to:

Select the individuals who will receive awards;

Determine the terms and conditions of awards (for example, performance conditions, if any, and vesting schedule);

Correct any defect, supply any omission, or reconcile any inconsistency in the 2017 Plan or any award agreement;

Amend or waive the terms and conditions as it deems appropriate, subject to the limitations set forth in the 2017 Plan and consent of the applicable participants; and

Interpret the provisions of the 2017 Plan and outstanding awards.

Awards may be subject to any policy that the Board may implement on the recoupment of compensation (referred to as a clawback policy). The members of the Board, the 2017 Plan Committee and their delegates shall be indemnified by the company to the maximum extent permitted by applicable law for actions taken or not taken regarding the 2017 Plan. In addition, the 2017 Plan Committee may use the 2017 Plan to issue shares under sub-plans as may be deemed necessary or appropriate to provide for participation by non-U.S. employees.

Types of Awards

Restricted Stock. Awards of restricted stock are shares of common stock that vest in accordance with the terms and conditions established by the 2017 Plan Committee. The 2017 Plan Committee also will determine any other terms and conditions of an award of restricted stock. In determining whether an award of restricted stock should be made, and/or the vesting schedule for any such award, the 2017 Plan Committee may impose whatever conditions to vesting it determines to be appropriate; provided, however, that generally the minimum vesting period must be at least three years (but permitting pro-rata vesting over the three-year period).

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Restricted Stock Units. Restricted stock units are the right to receive a number of shares of common stock at some future date after the grant, subject to terms and conditions established by the 2017 Plan Committee. The 2017 Plan Committee will determine all of the terms and conditions of an award of restricted stock units, including the vesting period; provided, however, that generally the minimum vesting period must be at least three years (but permitting pro-rata vesting over the three-year period). Upon each vesting date of a restricted stock unit, a participant will be entitled to receive the number of shares indicated in the grant notice, or if expressed in dollar terms the fair market value of the shares on the settlement date.

Stock Options. A stock option is the right to acquire shares at a fixed exercise price over a fixed period of time. The 2017 Plan Committee will determine the number of shares covered by each stock option and the exercise price of the shares subject to each stock option, but such per share exercise price cannot be less than the fair market value of a share of our common stock on the date of grant of the stock option.

Stock options granted under the 2017 Plan may be either ISOs or NSOs. As required by the Code and applicable regulations, ISOs are subject to various limitations not imposed on NSOs. For example, the exercise price for any ISO granted to any employee owning more than 10% of our common stock may not be less than 110% of the fair market value of the common stock on the date of grant and such ISO must expire not later than five years after the grant date. The aggregate fair market value (determined at the date of grant) of common stock subject to all ISOs held by a participant that are first exercisable in any single calendar year cannot exceed \$100,000. ISOs may not be transferred other than upon death, or to a revocable trust where the participant is considered the sole beneficiary of the stock option while it is held in trust. However, we have never granted ISOs under the 2004 Plan or 2012 Plan.

A stock option generally cannot be exercised until it becomes vested. The 2017 Plan Committee establishes the vesting schedule of each stock option at the time of grant. The maximum term for stock options granted under the 2017 Plan may not exceed ten years from the date of grant although the 2017 Plan Committee may establish a shorter period at its discretion. We have not used stock options as equity compensation for employees since 2008 in favor of reliance on restricted stock units, but prior to that time our practice was to provide a seven-year term with four-year annual vesting.

Stock Appreciation Rights. A SAR is the right to receive, upon exercise, an amount equal to the difference between the fair market value of the shares on the date of the SAR's exercise and the fair market value of the shares covered by the exercised portion of the SAR on the date of grant. The 2017 Plan Committee determines the terms of SARs, including the exercise price (provided that such per share exercise price cannot be less than the fair market value of a

share of our common stock on the date of grant), the vesting and the term of the SAR. The maximum term life for SARs granted under the 2017 Plan may not exceed ten years from the date of grant subject to the discretion of the 2017 Plan Committee to establish a shorter period. The 2017 Plan Committee may determine that a SAR will only be exercisable if we satisfy performance goals established by the 2017 Plan Committee. Settlement of a SAR may be in shares of common stock or in cash, or any combination thereof, as the 2017 Plan Committee may determine.

Other Awards. The 2017 Plan also provides that other equity awards, which derive their value from the value of our shares or from increases in the value of our shares, may be granted. In addition, cash awards which are intended to qualify as performance-based compensation under Code Section 162(m) may be issued to Covered Employees (as defined below). Additionally, substitute awards may be issued under the 2017 Plan in assumption of or substitution for

or exchange for awards previously granted by an entity which we (or an affiliate) acquire.

Performance Conditions and Annual Grant Limits. The 2017 Plan specifies performance conditions that the 2017 Plan Committee may include in awards intended to qualify as performance-based compensation under Code Section 162(m). These performance criteria shall be limited to one or more of the following target objectives involving us or a subsidiary or affiliate of ours to measure the performance of our executives and business lines:

Annual revenue;

EBIT or EBITDA;

earnings per share;

stock price;

operating cash flow;

net income;

profit margins, operating margins, gross margins or cash margins;

revenue growth;

pre- or after-tax income (before or after allocations of corporate overhead and bonuses);

return on equity;

total stockholder return;

return on assets or net assets;

appreciation in and/or maintenance of the price of our common stock;

market share;

gross or net operating profits;

economic value-added models or equivalent metrics;

competitive market metrics;

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reductions in costs;

cash flow or cash flow per share;

return on capital (including return on total capital or return on invested capital);

cash flow return on investment;

improvement in or attainment of expense levels or working capital levels;

year-end cash;

debt reductions;

stockholder equity;

regulatory or litigation achievements;

implementation, completion or attainment of measurable objectives, including, without limitation, with respect to business development, new products or services, budgets, regulatory or business risks, acquisitions, divestitures or recruiting and maintaining personnel; or

any combination of the foregoing.

If this Proposal 5 is approved by stockholders, then each of the above performance criteria would be approved for use, at the 2017 Plan Committee's discretion, in awards that are intended to qualify as performance-based compensation under Code Section 162(m). Including one or more of the foregoing performance conditions in awards of restricted stock and restricted stock units to Covered Employees (as defined in the 2017 Plan) can permit these awards to qualify as performance-based compensation. Certain other awards, such as stock options, may qualify as performance-based compensation under Code Section 162(m) without including any of the above performance criteria.

Approval of the material terms of the 2017 Plan (which consists of participant eligibility, the foregoing specified performance condition criteria and the numerical limitations on the magnitude of grants) by stockholders is necessary for grants to Covered Employees to qualify for the performance-based compensation exception to the income tax deduction limitations of Section 162(m) of the Code. Qualified performance-based compensation approved by stockholders is not subject to the Code Section 162(m) deduction limit. By seeking approval of this Proposal 5, the Board also intends to prevent Code Section 162(m) from limiting the deductibility of certain 2017 Plan awards to Covered Employees. In this regard, the 2017 Plan imposes the following individual annual grant limits on awards that are intended to constitute qualified performance-based compensation under Code Section 162(m):

Individual Grant Limit Per Fiscal Year

<i>Stock Options and SARs</i>	3,000,000 shares
<i>Restricted Stock and Restricted Stock Units</i>	2,000,000 shares
<i>Other Equity Awards</i>	2,000,000 shares
<i>Total of All Equity Awards</i>	3,300,000 shares
<i>Cash Awards</i>	\$5,000,000

The 2017 Plan limits are the same limits imposed under the 2012 Plan. From time to time, the Compensation Committee may award compensation to our executive officers which is not fully deductible if it determines that such award is consistent with our executive compensation philosophy and is in the company's and our stockholders' best interests. Further, the 2017 Plan does not preclude the Compensation Committee from making other compensation payments outside of the 2017 Plan to Covered Employees even if such payments do not qualify for tax deductibility under Code Section 162(m). See Internal Revenue Code Section 162(m) Limits below for further information on Code Section 162(m).

In addition, the 2017 Plan provides that the maximum number of shares subject to awards granted during a single fiscal year to any non-employee director, taken together with any cash fees paid to such non-employee director during a single fiscal year, shall not exceed \$700,000 in total value.

Limited Transferability of Awards. Awards granted under the 2017 Plan generally are not transferrable other than upon death or pursuant to a court-approved domestic relations order. However, the 2017 Plan Committee may in its

discretion permit the transfer of awards other than ISOs by gift to a member of the participant's immediate family or to a trust or other entity for the benefit of the participant and/or his or her immediate family or to a charity.

Termination of Employment, Death, Disability or Retirement. The 2017 Plan determines the effect of the termination of employment on awards, which determination may be different depending on the nature of the termination, such as terminations due to cause, resignation, death, disability or retirement, and the status of the award as vested or unvested, unless the award agreement or a participant's employment agreement provides otherwise.

Adjustments upon Changes in Capitalization. In the event of a stock split of our outstanding shares, stock dividend, extraordinary cash dividend, consolidation, combination or reclassification of the shares, recapitalization, spin-off, or other similar occurrence, then the maximum number of shares that can be issued under the 2017 Plan (including the ISO limit), the number and class of shares issued under the 2017 Plan and subject to each award, as well as the exercise prices of outstanding stock options and SARs, and the number and

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class of shares available for issuance under the 2017 Plan, shall each be equitably and proportionately adjusted by the 2017 Plan Committee.

Corporate Transaction. In the event that we are a party to a merger or other reorganization, outstanding 2017 Plan awards will be subject to the agreement of merger or reorganization. Such agreement may provide for (i) the continuation of the outstanding awards by us if we are a surviving corporation, (ii) the assumption of the outstanding awards by the surviving corporation or its parent, (iii) full exercisability or full vesting, or (iv) cancellation of outstanding awards with consideration (or solely in the case of an underwater option or SAR, without consideration), in all cases with or without consent of the participant. The Board or 2017 Plan Committee need not adopt the same rules for each award or participant.

Change in Control. Under the 2017 Plan, there is no automatic vesting upon a change in control. The 2017 Plan Committee would have to expressly authorize any acceleration of vesting upon a change in control, or upon a change in control followed by an involuntary termination of employment within a certain period of time, for any employees that do not participate in our Severance Plan.

Term of the 2017 Plan. If approved by stockholders, the 2017 Plan will continue in effect until March 3, 2027, or until earlier terminated by the Board.

Governing Law. The 2017 Plan shall be governed by the laws of the State of Delaware (which is the state of our incorporation) except for conflict of law provisions.

Amendment and Termination of the 2017 Plan. The Board generally may amend or terminate the 2017 Plan at any time and for any reason, except that it must obtain stockholder approval of material amendments, including any addition of shares or repricing of stock options or SARs after the date of their grant as required by NYSE Listing Rules.

Certain Federal Income Tax Information

The following is a general summary, as of March 20, 2017, of the federal income tax consequences to us and to U.S. participants for awards granted under the 2017 Plan. The federal tax laws may change and the federal, state and local tax consequences for any participant will depend upon his or her individual circumstances. Tax consequences for any particular individual may be different. This summary is not intended to be exhaustive and does not discuss the tax consequences of a participant's death or provisions of income tax laws of any municipality, state or other country. We advise participants to consult with a tax advisor regarding the tax implications of their awards under the 2017 Plan.

Incentive Stock Options. For federal income tax purposes, the holder of an ISO has no taxable income at the time of the grant or exercise of the ISO. If such person retains the common stock acquired under the ISO for a period of at least two years after the stock option is granted and one year after

the stock option is exercised, any gain upon the subsequent sale of the common stock will be taxed as a long-term capital gain. A participant who disposes of shares acquired by exercise of an ISO prior to the expiration of two years after the stock option is granted or before one year after the stock option is exercised will realize ordinary income as of the date of exercise equal to the difference between the exercise price and fair market value of the stock. Any

additional gain or loss recognized upon any later disposition of the shares would be a short- or long-term capital gain or loss, depending on whether the shares have been held by the participant for more than one year. The difference between the option exercise price and the fair market value of the shares on the exercise date of an ISO is an adjustment in computing the holder's alternative minimum taxable income and may be subject to an alternative minimum tax which is paid if such tax exceeds the participant's regular income tax for the year.

Nonstatutory Stock Options. A participant who receives an NSO generally will not realize taxable income on the grant of such option, but will realize ordinary income at the time of exercise of the stock option equal to the difference between the option exercise price and the fair market value of the stock on the date of exercise. Any additional gain or loss recognized upon any later disposition of the shares would be a short- or long-term capital gain or loss, depending on whether the shares had been held by the participant for more than one year.

Stock Appreciation Rights. No taxable income is generally reportable when a stock appreciation right is granted to a participant. Upon exercise, the participant will recognize ordinary income in an amount equal to the amount of cash received plus the fair market value of any shares received. Any additional gain or loss recognized upon any later disposition of any shares received would be a short- or long-term capital gain or loss, depending on whether the shares had been held by the participant for one year or more.

Restricted Stock. A participant will generally not have taxable income upon grant of unvested restricted shares unless he or she elects to be taxed at that time pursuant to an election under Code Section 83(b). Instead, he or she will recognize ordinary income at the time(s) of vesting equal to the fair market value (on each vesting date) of the shares or cash received minus any amount paid for the shares.

Restricted Stock Units. No taxable income is generally reportable when unvested restricted stock units are granted to a participant. Upon settlement of the vested restricted stock units, the participant will recognize ordinary income in an amount equal to the value of the payment received pursuant to the vested restricted stock units.

Income Tax Effects for the Company. We generally will be entitled to a tax deduction in connection with an award under the 2017 Plan in an amount equal to the ordinary income realized by a participant at the time the participant recognizes such income (for example, upon the exercise of an NSO).

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Internal Revenue Code Section 162(m) Limits. Section 162(m) of the Code places a limit of \$1.0 million on the amount of compensation that we may deduct in any one fiscal year with respect to our principal executive officer and each of the other three most highly compensated officers (other than the principal financial officer) (Covered Employees). The 2017 Plan is intended to enable certain awards to constitute performance-based compensation not subject to the annual deduction limitations of Section 162(m) of the Code. However, to maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the Board has not adopted a policy that all compensation must be tax deductible.

Internal Revenue Code Section 409A. Code Section 409A governs the federal income taxation of certain types of nonqualified deferred compensation arrangements. A violation of Code Section 409A generally results in an acceleration of the recognition of income of amounts intended to be deferred and the imposition of a federal excise tax of 20% on the employee over and above the income tax owed, plus possible penalties and interest. The types of arrangements covered by Code Section 409A are broad and may apply to certain awards available under the 2017 Plan (such as restricted stock units). The intent is for the 2017 Plan, including any awards available thereunder, to comply with the requirements of Code Section 409A to the extent applicable. As required by Code Section 409A, certain

nonqualified deferred compensation payments to specified employees may be delayed to the seventh month after such employee's separation from service.

New Plan Benefits

All 2017 Plan awards will be granted at the 2017 Plan Committee's discretion, subject to the limitations described in the 2017 Plan. Therefore, the benefits and amounts that will be received or allocated under the 2017 Plan are not presently determinable.

Board Approval

As noted above, 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. We believe that the 2017 Plan is necessary to promote our long-term success and the creation of stockholder value. 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. In addition, 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 generally composed of independent directors, no automatic single-trigger vesting upon a change in control and clawback or recoupment of compensation provisions.

Required Vote

Approval of this Proposal 5 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 approval of the 2017 Equity Incentive Plan.

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Based on information available to us as of March 20, 2017, the only stockholders known to us to beneficially own more than five percent of the outstanding shares of our common stock are (all percentages in the table are based on 337,874,535 shares of common stock outstanding as of March 20, 2017):

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
ValueAct Capital Master Fund, L.P. and related entities One Letterman Drive, Building D, Fourth Floor San Francisco, California 94129	41,873,250 ⁽¹⁾	12.4%
The Vanguard Group 100 Vanguard Boulevard Malvern, Pennsylvania 19355	26,797,838 ⁽²⁾	7.9%
BlackRock, Inc. 55 East 52nd Street New York, New York 10055	19,069,445 ⁽³⁾	5.6%
Harris Associates L.P. and Harris Associates, Inc. 111 South Wacker Drive, Suite 4600 Chicago, Illinois 60606	17,483,454 ⁽⁴⁾	5.2%

(1) Solely based on information in a Form 4 filed with the SEC on November 9, 2016 by ValueAct Holdings, L.P. and its related entities (ValueAct Group). The Form 4 indicates that ValueAct Group was the beneficial owner of 41,873,250 shares of our common stock. Excluded from this amount are 5,230 restricted share units vesting within 60 days of March 20, 2017 that are held by Brandon B. Boze for the benefit of the ValueAct Group, as discussed in footnote (7) to the table under Security Ownership of Management and Directors below.

(2) Solely based on information in a Schedule 13G/A filed with the SEC on February 10, 2017 by The Vanguard Group. The Schedule 13G/A indicates that as of December 31, 2016, The Vanguard Group was the beneficial owner of 26,797,838 shares, with sole voting power as to 477,139 shares, shared voting power as to 52,417 shares, sole dispositive power as to 26,288,069 shares and shared dispositive power as to 509,769 shares of our common stock.

(3) Solely based on information in a Schedule 13G/A filed with the SEC on January 23, 2017 by BlackRock, Inc. The Schedule 13G/A indicates that as of December 31, 2016, BlackRock, Inc. was the beneficial owner of 19,069,445 shares, with sole voting power as to 16,538,196 shares of our common stock and sole dispositive power as to 19,069,445 shares of our common stock.

(4)

Solely based on information in a Schedule 13G filed with the SEC on February 10, 2017 by Harris Associates, L.P. and Harris Associates, Inc. The Schedule 13G indicates that as of December 31, 2016, Harris Associates, L.P. and Harris Associates, Inc. collectively was the beneficial owner of 17,483,454 shares, with sole voting power as to 15,901,750 shares of our common stock and sole dispositive power as to 17,483,454 shares of our common stock.

Security Ownership of Management and Directors

The following table below sets forth information as of the close of business on March 20, 2017 regarding the beneficial ownership of our common stock by: (i) each of our current directors and each nominee for director to our Board; (ii) each of our executive officers named in the Summary Compensation Table ; and (iii) all current directors, director nominees and current executive officers as a group. Unless otherwise noted, the beneficial owners exercise sole voting and/or investment power over their shares. All percentages in the table are based on 337,874,535 shares of common stock outstanding as of March 20, 2017.

Name	Common Stock Beneficially Owned Directly or Indirectly ⁽¹⁾	Common Stock Acquirable Within 60 Days ⁽²⁾	Total Common Stock Beneficially Owned ⁽³⁾⁽⁴⁾	Percentage of Shares of Common Stock Outstanding
Robert E. Sulentic	535,101		535,101 ⁽⁵⁾	*
James R. Groch	270,552		270,552	*
T. Ritson Ferguson	21,460		21,460	*
Michael J. Lafitte	195,623		195,623	*
Calvin W. Frese, Jr.	105,717		105,717	*
William F. Concannon	129,569		129,569 ⁽⁶⁾	*
Brandon B. Boze		5,230	5,230 ⁽⁷⁾	*
Beth F. Cobert				*

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Name	Common Stock Beneficially Owned Directly or Indirectly⁽¹⁾	Common Stock Acquirable Within 60 Days⁽²⁾	Total Common Stock Beneficially Owned⁽³⁾⁽⁴⁾	Percentage of Shares of Common Stock Outstanding
Curtis F. Feeny	39,967	5,230	45,197	*
Bradford M. Freeman	109,342	7,116	116,458	*
Christopher T. Jenny	30,662	5,230	35,892	*
Gerardo I. Lopez	3,858	5,230	9,088	*
Frederic V. Malek	541,554	5,230	546,784 ⁽⁸⁾	*
Paula R. Reynolds	2,003	5,230	7,233	*
Laura D. Tyson	21,688	7,116	28,804	*
Ray Wirta	1,099,038	10,286	1,109,324	*
All current directors, director nominees and current executive officers as a group (19 persons)	3,288,169	55,898	3,344,067	1.0

* Less than 1.0%

(1) Includes shares over which the person currently holds or shares voting and/or investment power but excludes interests, if any, in shares held in the CBRE Stock Fund of our 401(k) Plan and the shares listed under Common Stock Acquirable Within 60 Days.

(2) Includes shares that are deemed to be beneficially owned by virtue of the individual's right to acquire the shares upon the exercise of outstanding stock options or restricted stock units within 60 days from March 20, 2017.

(3) Unless otherwise indicated, each person has sole voting and investment power over the shares reported.

(4) Includes interests, if any, in shares held in the CBRE Stock Fund of our 401(k) Plan and the shares listed under the Common Stock Acquirable Within 60 Days column and does not include restricted stock units or performance stock units with restrictions that lapse more than 60 days after March 20, 2017. For more information on such units, see Outstanding Equity Awards at Fiscal Year-End table on page 51.

(5) Mr. Sulentic is the direct owner of 505,101 shares. An additional 30,000 shares are held by the Sulentic Family Foundation. He is co-trustee of the Sulentic Family Foundation but does not have any pecuniary interest in the shares beneficially owned by the foundation.

- (6) Mr. Concannon is the direct beneficial owner of 100,086 shares. He is the sole trustee of (i) Concannon Children's Trust, which owns 15,000 of the shares reflected, and (ii) Concannon Descendents 2015 Trust, which owns 14,483 of the shares reflected.
- (7) Under an agreement with ValueAct Capital, Mr. Boze directly holds 5,230 restricted stock units (which vest within 60 days following March 20, 2017) for the benefit of ValueAct Capital Master Fund, L.P. and indirectly for (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC, and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P. Mr. Boze is affiliated with ValueAct Capital Master Fund, L.P. and its related entities (the Value Act Group), but he does not have voting or dispositive power over shares beneficially owned by the ValueAct Group and therefore disclaims beneficial ownership of all shares held by or on behalf of them except to the extent of any pecuniary interest therein. The business address of each of the above named is c/o ValueAct Capital, One Letterman Drive, Building D, Fourth Floor, San Francisco, California 94129.
- (8) Mr. Malek is the direct beneficial owner of 262,993 shares. Mr. Malek, his spouse and children are trustees and beneficiaries of The Malek Family Charitable Trust, which holds 6,900 of the shares reflected. In addition, Mr. Malek is the sole trustee of the Frederic V Malek TTEE U/A DTD 06/19/1992 Frederic V Malek Trust, which holds 276,891 of the shares reflected.

Certain of our directors and executive officers may beneficially own shares in brokerage accounts subject to customary margin arrangements. Shares held in such accounts may be deemed to be pledged to secure those margin arrangements irrespective of whether there are margin loans then outstanding. None of these margin arrangements is

designed to shift or hedge any economic risk associated with ownership of our common stock. As of March 20, 2017, none of our current executive officers or directors has pledged any of our shares, except for Messrs. Midler and Wirta (all of whose shares are held in a brokerage account subject to a customary margin arrangement).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers, directors, and persons who own more than 10% of our common stock to file reports of ownership and changes in ownership with the SEC. SEC regulations require us to identify anyone who failed to file a required report or filed a late report during the most recent fiscal year. Based solely on

our review of the copies of such forms received by us, or written representations from certain reporting persons that no Forms 5 were required for such persons, we believe that during the fiscal year 2016 all of our executive officers, directors and 10% stockholders complied with all Section 16(a) filing requirements applicable to them.

Table of Contents**RELATED-PARTY TRANSACTIONS****Related-Party and Other Transactions Involving Our Officers and Directors**

The following sets forth certain transactions involving us and our executive officers and directors since January 1, 2016:

Blum Capital In connection with their acquisition of CBRE Services, Inc. in 2001, we entered into a Securityholders Agreement with certain of our stockholders, including Blum Capital Partners, L.P. and its affiliates (collectively, Blum Capital), Ray Wirta, our then CEO and current Chair of our Board, and Frederic V. Malek, our director. Blum Capital is affiliated with Richard C. Blum, who is one of our former directors, as well as certain other related Blum Capital entities with ownership interests in our securities. Under this agreement, Blum Capital is entitled to nominate a percentage of our directors equal to the percentage of our outstanding common stock beneficially owned by Blum Capital, rounded up to the nearest whole number of directors. Mr. Wirta and certain of our other stockholders that are parties to the Securityholders Agreement are obligated thereunder to vote their shares in favor of the directors nominated by Blum Capital. Finally, we agreed to indemnify the stockholder parties to this agreement and their affiliates for any damages in connection with any claim relating to (1) our business, operations, liabilities or obligations or (2) the ownership of any of our equity securities, except to the extent these losses and expenses (x) arise from any claim that the indemnified person's investment decision relating to the purchase or sale of these equity securities violated a duty or other obligation of the indemnified person to the claimant or (y) are finally determined in a judicial action by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the stockholder or its affiliates. In March 2017, the Securityholders Agreement was amended to provide for the termination of all remaining legacy provisions in the agreement.

Directors and Executive Officers Investments in Our Investment Products Our directors and executive officers have from time to time in the past invested their own capital in our sponsored and managed investment products, and some of them continue to hold these investments. These investments were made on the same terms and conditions as those available

to unaffiliated outside investors, except for a co-investment opportunity made available to Matthew S. Khourie (who was an executive officer during 2016 and who held that designation until March 14, 2016) as part of his compensation package before he became an executive officer and which was subsequently approved by the Compensation Committee. None of our directors or executive officers received distributions during 2016 from any investments in our investment products, except (i) Mr. Khourie received distributions of approximately \$6,443 (exclusive of amounts related to his compensation package as noted in the prior sentence), and (ii) Mr. Ferguson (and his related family trust) received distributions totaling \$1.4 million from (x) an ownership interest in CBRE Clarion Securities Holdings LLC (of which he was the Chief Executive Officer in 2016) as described below and (y) shares that he purchased with his own capital (in the open market) of exchange-listed mutual funds managed by CBRE Clarion Securities LLC.

T. Ritson Ferguson Ownership Interest in CBRE Clarion Securities Mr. Ferguson (and a related family trust) own in the aggregate less than 5% (on a fully-diluted basis) of the equity of CBRE Clarion Securities Holdings LLC, which is a holding vehicle for CBRE's ownership of CBRE Clarion Securities LLC. He and the trust acquired this interest prior to his becoming an executive officer of the company on March 14, 2016.

Employment Relationships Meredith Bell Frese, a Transaction Manager in the Advisory & Transaction Services practice in our Chicago office, is the daughter-in-law of Calvin W. Frese, Jr., our Global Group President,

Geographies. The aggregate value of compensation and benefits earned by Ms. Frese in respect of 2016 was approximately \$134,893. Also, Conor Denihan, a commissioned sales professional in our New York brokerage business with the title of Senior Vice President, is the son-in-law of William F. Concannon, our Chief Executive Officer Global Workplace Solutions. The aggregate value of compensation and benefits earned by Mr. Denihan in respect of 2016 was approximately \$742,229.

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RELATED-PARTY TRANSACTIONS

Review and Approval of Transactions with Interested Persons

We have operated under our Standards of Business Conduct since 2004. As part of our Standards of Business Conduct, our directors and employees are expected to make business decisions and take actions based upon our best interests and not based upon personal relationships or benefits.

Our Board has recognized that some transactions, arrangements and relationships present a heightened risk of an actual or perceived conflict of interest and has adopted a written Policy Regarding Transactions with Interested Parties and Corporate Opportunities governing these transactions. This policy governs any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we were or are to be a participant and the amount involved exceeds \$120,000, and in which any of the following persons had or will have a direct or indirect material interest (other than relating to an employment relationship or transaction involving Board- or Compensation Committee-approved executive officer compensation):

our directors, nominees for director or executive officers;

any beneficial owner of more than 5% of any class of our voting securities; and

any immediate family member of any of the foregoing natural persons.

Directors and executive officers are required to submit to our General Counsel a description of any current or proposed transaction potentially covered by the policy in advance of participating in such transaction. Our General Counsel is responsible for determining whether the proposed transaction is subject to our policy. If our General Counsel deems such transaction subject to our policy, he or she will report such

transaction to the Audit and Finance Committee. The Audit and Finance Committee (or in certain cases, the Chair of the Audit and Finance Committee) is responsible for evaluating and approving such transactions, and in doing so, the Audit and Finance Committee may take into account, among other factors that it deems appropriate, due inquiries of disinterested senior business leaders, disinterested directors and legal counsel.

Each transaction described above under Related-Party and Other Transactions Involving Our Officers and Directors was approved by at least a majority of the disinterested members of our Audit and Finance Committee, except for (i) the Securityholders Agreement described above under Related-Party and Other Transactions Involving Our Officers and Directors, which was approved by at least a majority of the disinterested members of our Board prior to adoption of our Policy Regarding Transactions with Interested Parties and Corporate Opportunities (and any similar predecessor policy), (ii) the participation of Messrs. Ferguson and Khourie in the investments described above, which investments predated their status as executive officers of the company and as such did not require approval pursuant to our Policy Regarding Transactions with Interested Parties and Corporate Opportunities, and (iii) the participation of Messrs. Blum, Freeman, Malek, Midler and Wirta in certain of our sponsored and managed investment products as

described above, which investments were unanimously approved by the disinterested members of our Board prior to their making the investments.

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

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GENERAL INFORMATION ABOUT THE ANNUAL MEETING

Voting Instructions and Information

How to attend the Annual Meeting

The Annual Meeting will be held on May 19, 2017 at 8:30 a.m., Mountain Time, at 121 South Tejon Street, Suite 900, Colorado Springs, Colorado. Stockholders who are entitled to vote or individuals holding their duly appointed proxies may attend the meeting, as well as our invited guests.

You should be prepared to present photo identification for admittance. If you are not a stockholder, then you should be prepared to show proof of a proxy or a power of attorney provided by a stockholder. Individuals who are not stockholders

(or duly authorized representatives of stockholders) may not be permitted to attend the Annual Meeting.

Appointing a proxy in response to this solicitation will not affect your right to attend the Annual Meeting and to vote in person. Please note that if you hold your common stock in street name (that is, through a broker, bank or other nominee), you will need to bring a picture ID and a copy of a brokerage statement reflecting your stock ownership of CBRE Group, Inc. as of March 20, 2017 to gain admittance to the Annual Meeting.

Matters to be presented

We are not aware of any matters to be presented at the Annual Meeting other than those described in this Proxy Statement. If any matters not described in this Proxy Statement are properly presented at the meeting, then proxies will use their own judgment to determine how to vote your shares. If the meeting is adjourned or postponed, then proxies can vote your shares at the adjournment or postponement as well.

Stockholders entitled to vote

You may vote if you owned shares of our common stock as of March 20, 2017, which is the record date for the Annual Meeting. You are entitled to one vote on each matter presented at the Annual Meeting for each share of common stock that you owned on that date. As of March 20, 2017, we had 337,874,535 shares of common stock outstanding.

Vote tabulation

Broadridge Financial Solutions, Inc., an independent third party, will tabulate the votes, and our Assistant Secretary will act as the inspector of the election.

Confidential voting

Your proxy card, ballot and voting records will not be disclosed to us unless applicable law requires disclosure, you request disclosure or your vote is cast in a contested election (which last exception is not applicable for the 2017 Annual Meeting). If you write comments on your proxy card, then your comments will be provided to us, but how you voted will remain confidential.

How do I vote?

If you plan to attend the Annual Meeting and wish to vote in person, we will give you a ballot at the Annual Meeting. However, 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 this common stock on March 20, 2017, which is the record date for voting at the Annual Meeting.

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GENERAL INFORMATION ABOUT THE ANNUAL MEETING

If your common stock is held in your name, there are three ways for you to vote by proxy:

If you received a paper copy of the proxy materials by mail, mail the completed proxy card in the enclosed return envelope;

Call 1-800-690-6903; or

Log on to the internet at www.proxyvote.com and follow the instructions at that site. The website address for internet voting is also provided on your Notice.

Telephone and internet voting will close at 8:59 p.m. (Pacific Time) on May 18, 2017, unless you are voting common stock held in our 401(k) plan, in which case the deadline for voting is 8:59 p.m. (Pacific Time) on May 16, 2017. Proxies submitted by mail must be received prior to the meeting. Unless you indicate otherwise on your proxy card, the persons named as your proxies will vote your common stock:

FOR all of the nominees for director named in this Proxy Statement;

FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2017;

FOR the advisory approval of our named executive officer compensation for 2016;

I YEAR with respect to how frequently a non-binding stockholder vote to approve the compensation of our named executive officers should occur; and

FOR the approval of our 2017 Equity Incentive Plan.

If your common stock is held in the name of your broker, bank or other nominee, then you should receive separate instructions from the holder of your common stock describing how to vote your common stock.

Even if you plan to attend the Annual Meeting, we recommend that you vote your common stock in advance as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

If you do not vote/effect of broker non-votes

If you are a stockholder of record, then your shares will not be voted if you do not provide your proxy, unless you vote in person at the Annual Meeting.

If (i) you are the beneficial owner of shares held in the name of a broker, trustee or other nominee, (ii) you do not provide that broker, trustee or other nominee with voting instructions, (iii) such person does not have discretionary authority to vote on such proposal and (iv) you do not vote in person at the Annual Meeting, then a broker non-vote will occur. Under the NYSE rules, brokers, trustees or other nominees may generally vote on routine matters but cannot vote on

non-routine matters. Our Proposal 2 (ratify the appointment of our independent registered public accounting firm for 2017) is the only proposal in this Proxy Statement that is considered a routine matter. The other proposals are not considered routine matters, and without your instructions, your broker cannot vote your shares. In tabulating the voting results for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. As such, broker non-votes will not affect the outcome of any matter being voted on at the meeting.

Vote levels required to pass an item of business

Quorum. Holders of a majority in voting power of the stock entitled to vote at the Annual Meeting must be present or represented by proxy to constitute a quorum for the transaction of business at the Annual Meeting. Shares represented by broker non-votes, as described above, and votes to ABSTAIN are counted as present and entitled to vote for purposes of determining a meeting quorum. No business may be conducted at the Annual Meeting if a quorum is not present.

Proposal 1 Elect Directors. Our by-laws require a majority vote requirement in uncontested director elections. 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 on his or her election (*i.e.*, votes cast FOR a nominee must exceed votes cast as AGAINST). In contested elections (*i.e.*, elections involving director nominees submitted by our stockholders in accordance with our by-laws) directors are elected by a plurality of the votes cast. The majority vote requirement will apply at our Annual Meeting because our director nominee slate is uncontested. In addition, for the purposes of tabulating the results of director elections, shares that are not voted, votes to ABSTAIN and broker non-votes are not considered votes cast and so will not affect the election outcome. Under our by-laws, votes cast as withheld in uncontested elections are treated the same as votes cast AGAINST director nominees, whereas votes to ABSTAIN do not affect the election outcome. In order to minimize investor confusion, we have omitted the withheld voting option this year, and stockholders wishing to cast a negative vote for a director nominee should vote AGAINST such nominee.

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GENERAL INFORMATION ABOUT THE ANNUAL MEETING

Proposal 4 Advisory Vote on the Frequency of the Vote on Named Executive Officer Compensation. The number of votes for 1 YEAR, 2 YEARS or 3 YEARS will be counted, and the frequency with the highest number votes will be the frequency that our stockholders approve.

All Other Proposals. Approval of each of the other proposals that do not relate to director elections (Proposal 1) or say on pay frequency (Proposal 4) requires the affirmative vote (*i.e.*, a FOR vote) of a majority of the shares present or represented and entitled to vote thereon. A vote to ABSTAIN will have the same effect as a vote AGAINST these items, and a broker non-vote will have no effect in determining whether these items are approved. Our Proposal 2 (ratify the appointment of our independent registered public accounting firm for 2017) is the only proposal on which your broker is entitled to vote your shares if no instructions are received from you.

Shares in the 401(k) plan

If you hold common stock in our 401(k) plan as of March 20, 2017, the enclosed proxy card also serves as your voting instruction to Bank of America, N.A., the trustee of our 401(k) plan, provided that you furnish your voting instructions over the internet or by telephone, or that the enclosed proxy card is signed, returned and received, by

8:59 p.m. (Pacific Time) on May 16, 2017. If voting instructions are not received by such time, the common stock in our 401(k) plan for which voting instructions are not timely received will be voted by the trustee in proportion to the shares for which the trustee timely receives voting instructions.

The Board's voting recommendations

FOR election of our Board-nominated slate of directors (see Proposal 1);

FOR the ratification of the appointment of KPMG LLP, an independent registered public accounting firm, to be the auditors of our annual financial statements for the fiscal year ending December 31, 2017 (see Proposal 2);

FOR the advisory approval of our named executive officer compensation for 2016 (see Proposal 3);
1 YEAR with respect to how frequently a non-binding stockholder vote to approve the compensation of our named executive officers should occur (see Proposal 4); and

FOR the approval of our 2017 Equity Incentive Plan (see Proposal 5).

Unless you give other instructions on your proxy card, the persons named as proxies on the proxy card will vote in accordance with the recommendations of the Board.

Revoking your proxy

You can revoke your proxy if your common stock is held in your name by:

Filing written notice of revocation before our Annual Meeting with our Secretary, Laurence H. Midler, at the address shown on the front of this Proxy Statement;

Signing a proxy bearing a later date and delivering it before our Annual Meeting; or

Voting in person at the Annual Meeting.

If your common stock is held in the name of your broker, bank or other nominee, please follow the voting instructions provided by the holder of your common stock regarding how to revoke your proxy.

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GENERAL INFORMATION ABOUT THE ANNUAL MEETING

Cost of proxy solicitation

Our Board solicits proxies on our behalf, and we will bear the expense of preparing, printing and mailing this Proxy Statement and the proxies we solicit. Proxies may be solicited by mail, telephone, personal contact and electronic means and may also be solicited by directors and officers in person, by the internet, by telephone or by facsimile transmission, without additional remuneration.

We will also request brokerage firms, banks, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares of our stock as of the record date and will reimburse them for the cost of forwarding the proxy materials in accordance with customary practice. Your cooperation in promptly voting your shares and submitting your proxy by the internet or telephone, or by completing and returning the enclosed proxy card (if you received your proxy materials in the mail), will help to avoid additional expense.

Where you can find our corporate governance materials

Current copies of our Board's Corporate Governance Guidelines, Categorical Independence Standards, Standards of Business Conduct, Code of Ethics for Senior Financial Officers, Policy Regarding Transactions with Interested Parties and Corporate Opportunities, Equity Award Policy and the charters for the Audit and Finance Committee, Compensation Committee, Governance Committee and

Executive Committee are published in the Corporate Governance section of the Investor Relations page on our website at www.cbre.com. We are not however including the other information contained on or available through our website as a part of, or incorporating such information by reference into, this Proxy Statement.

Elimination of Paper and Duplicative Materials

Internet availability Pursuant to rules adopted by the SEC, we are providing access to our proxy materials over the internet. Accordingly, we sent a Notice of Internet Availability of Proxy Materials (the Notice) to our stockholders. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found in the Notice.

Important Notice: Our 2017 Proxy Statement and Annual Report on Form 10-K for the fiscal year ended December 31, 2016 are available free of charge on the Investors Relations page on our website at www.cbre.com. We will provide by mail, without charge, a copy of our Annual Report on Form 10-K at your request. Please direct all inquiries to our Investor Relations Department at CBRE Group, Inc., 200 Park Avenue, New York, New York 10166, or by email at investorrelations@cbre.com.

Householding Householding permits us to mail a single set of proxy materials to any household in which two or more different stockholders reside and are members of the same household or in which one stockholder has multiple accounts. If we household materials for future meetings, then only one copy of our Annual Report and Proxy Statement will be sent to multiple stockholders who share the same address and last name, unless we have received contrary instructions from one or more of those stockholders. In addition, we have been notified that certain intermediaries (*i.e.*, brokers, banks or other nominees) will household proxy materials for the Annual Meeting. If you wish to receive a separate copy of the Annual Report and Proxy Statement or of future annual reports and proxy statements, then you may contact our Investor Relations Department by (i) mail at 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. You can also contact your broker, bank or other nominee to make a similar request. If we did not household your proxy materials for the 2017 Annual Meeting but you would like us to do so in the future, please contact our Investor Relations Department by mail, telephone or email as listed above.

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GENERAL INFORMATION ABOUT THE ANNUAL MEETING

Incorporation by Reference

The Compensation Committee Report and the Audit and Finance Committee Report contained herein shall not be deemed to be soliciting material or filed with the SEC, nor shall such information be incorporated by reference into any filings under the Securities Act of 1933, as amended, or

the Exchange Act, except to the extent specifically incorporated by reference therein. In addition, we are not including any information contained on or available through our website as part of, or incorporating such information by reference into, this Proxy Statement.

Transfer Agent Information

Broadridge Corporate Issuer Solutions, Inc., or Broadridge, is the transfer agent for the common stock of CBRE Group, Inc. Broadridge can be reached at (855) 627-5086 or via email at *shareholder@broadridge.com*. You should contact Broadridge if you are a registered stockholder and have a question about your account, if your stock certificate has been lost or stolen, or if you would like to report a change in your name or address. Broadridge Corporate Issuer Solutions, Inc. can be contacted as follows:

Regular, Registered or Overnight Mail

Broadridge Corporate Issuer Solutions, Inc.

Attention: Interactive Workflow System

1155 Long Island Avenue

Edgewood, New York 11717

Telephone Inquiries

(855) 627-5086, or TTY for hearing impaired:
(855) 627-5080

Foreign Shareowners: (720) 378-5662, or TTY Foreign
Shareowners: (720) 399-2074

Website: www.shareholder.broadridge.com

Table of Contents**ANNEX A****RECONCILIATION OF CERTAIN NON-GAAP FINANCIAL MEASURES**

We use non-GAAP financial measures within this Proxy Statement. We provide below reconciliations to their corresponding financial measure computed in accordance with GAAP. 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.

In addition, note that we 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.

1. Fee Revenue

A reconciliation of contractual fee revenue to fee revenue to revenue is shown below (dollars in thousands). Revenue includes client reimbursed pass through costs largely associated with employees that are dedicated to client facilities and subcontracted vendor work performed for clients, both of which are excluded from fee revenue.

	Year Ended December 31,	
	2016	2015
Consolidated		
Contractual fee revenue	\$ 3,643,186	\$ 2,899,434
Other fee revenue	5,073,940	4,830,903
Fee revenue	8,717,126	7,730,337
Plus: Pass through costs also recognized as revenue	4,354,463	3,125,473
Revenue	\$ 13,071,589	\$ 10,855,810

2. Adjusted EBITDA

A reconciliation of net income computed in accordance with GAAP to adjusted EBITDA for the fiscal years ended December 31, 2016 and 2015 is set forth below (dollars in thousands):

	Year Ended December 31,	
	2016	2015
Net income attributable to CBRE Group, Inc.	\$ 571,973	\$ 547,132
Add:		

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Depreciation and amortization	366,927	314,096
Interest expense	144,851	118,880
Write-off of financing costs on extinguished debt		2,685
Provision for income taxes	296,662	320,853
Less:		
Interest income	8,051	6,311
EBITDA	1,372,362	1,297,335
Adjustments:		
Integration and other costs related to acquisitions	125,743	48,865
Cost-elimination expenses	78,456	40,439
Carried interest incentive compensation (reversal) expense to align with the timing of associated revenue	(15,558)	26,085
EBITDA, as adjusted	\$ 1,561,003	\$ 1,412,724

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Table of Contents**3. Adjusted Net Income and Adjusted EPS**

A reconciliation of net income computed in accordance with GAAP to net income attributable to CBRE Group, Inc., as adjusted (adjusted net income), and to diluted income per share attributable to CBRE Group, Inc. shareholders, as adjusted (adjusted EPS), in each case for the fiscal years ended December 31, 2016 and 2015, is set forth below (dollars in thousands, except share data):

	Year Ended December 31,	
	2016	2015
Net income attributable to CBRE Group, Inc.	\$ 571,973	\$ 547,132
Plus / minus:		
Integration and other costs related to acquisitions	125,743	48,865
Amortization expense related to certain intangible assets attributable to acquisitions	111,105	86,564
Cost-elimination expenses	78,456	40,439
Carried interest incentive compensation (reversal) expense to align with the timing of associated revenue	(15,558)	26,085
Write-off of financing costs on extinguished debt		2,685
Tax impact of adjusted items	(93,181)	(62,600)
Net income attributable to CBRE Group, Inc., as adjusted	\$ 778,538	\$ 689,170
Diluted income per share attributable to CBRE Group, Inc. shareholders, as adjusted	\$ 2.30	\$ 2.05
Weighted average shares outstanding for diluted income per share	338,424,563	336,414,856

4. Adjusted EBITDA for our Americas segment

A reconciliation of net income computed in accordance with GAAP to EBITDA and to EBITDA, as adjusted, for our Americas segment (which we refer to as adjusted EBITDA for our Americas segment) for the fiscal year ended December 31, 2016 is set forth below (dollars in thousands):

	Year Ended
	December 31, 2016
Net income attributable to CBRE Group, Inc.	\$ 369,215
Adjustments:	
Depreciation and amortization	254,105
Interest expense, net	83,998
Royalty and management service income	(36,389)
Provision for income taxes	185,012

EBITDA	855,941
Integration and other costs related to acquisitions	71,376
Cost-elimination expenses	22,273
EBITDA, as adjusted ¹	\$ 949,590

¹ As previously noted in this Proxy Statement under 2016 Adjusted EBITDA Target under the EBP on page 36, we then modified this 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 segment in order to arrive at a bonusable adjusted EBITDA figure for our Americas segment for 2016. We consider the \$1,005.8 million figure to be the bonusable adjusted EBITDA figure.

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Table of Contents**5. Adjusted EBITDA for our Global Investment Management segment**

A reconciliation of net income computed in accordance with GAAP to EBITDA and to EBITDA, as adjusted, for our Global Investment Management segment (which we refer to as adjusted EBITDA for our Global Investment Management segment) for the fiscal year ended December 31, 2016 is set forth below (dollars in thousands):

	Year Ended December 31, 2016
Net income attributable to CBRE Group, Inc.	\$ 13,608
Adjustments:	
Depreciation and amortization	25,911
Interest expense, net	30,453
Royalty and management service expense	4,873
Provision for income taxes	2,586
EBITDA	\$ 77,431
Cost-elimination expenses	21,278
Carried interest incentive compensation reversal to align with the timing of associated revenue	(15,558)
EBITDA, as adjusted	\$ 83,151

6. Adjusted EBITDA for our Development Services segment

A reconciliation of net income computed in accordance with GAAP to EBITDA and to EBITDA, as adjusted, for our Development Services segment (which we refer to as adjusted EBITDA for our Development Services segment) for the fiscal year ended December 31, 2016 is set forth below (dollars in thousands):

	Year Ended December 31, 2016
Net income attributable to CBRE Group, Inc.	\$ 64,404
Adjustments:	
Depreciation and amortization	2,469
Interest expense, net	2,724
Provision for income taxes	44,340
EBITDA and EBITDA, as adjusted	\$ 113,937

7. Adjusted EBITDA for our Global Workplace Solutions business

A reconciliation of net income computed in accordance with GAAP to EBITDA and to EBITDA, as adjusted, for our Global Workplace Solutions business (which we refer to as adjusted EBITDA for our Global Workplace Solutions business) for the fiscal year ended December 31, 2016 is set forth below (dollars in thousands):

	Year Ended December 31, 2016
Net income attributable to CBRE Group, Inc.	\$ 311,132
Adjustments:	
Depreciation and amortization	119,942
Interest expense, net	4,889
Royalty and management service expense	16,510
Provision for income taxes	2,606
EBITDA	455,079
Integration and other costs related to acquisitions	2,428
EBITDA, as adjusted	\$ 457,507

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ANNEX B

CBRE GROUP, INC.

2017 EQUITY INCENTIVE PLAN

SECTION 1. INTRODUCTION.

The Company's Board of Directors adopted this CBRE Group, Inc. 2017 Equity Incentive Plan on the Adoption Date. This Plan will become effective on the Stockholder Approval Date if such stockholder approval occurs before the first anniversary of the Adoption Date.

The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by offering Participants an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, and to encourage such Participants to continue to provide services to the Company and to attract new individuals with outstanding qualifications.

The Plan seeks to achieve this purpose by providing for Awards in the form of Options (which may constitute Incentive Stock Options or Nonstatutory Stock Options), Stock Appreciation Rights, Restricted Stock Grants, Stock Units, Other Equity Awards and/or Cash Awards.

Capitalized terms shall have the meaning provided in Section 2 unless otherwise provided in this Plan or any applicable Award Agreement.

SECTION 2. DEFINITIONS.

- (a) 2004 Plan means the Company's Second Amended and Restated 2004 Stock Incentive Plan.
- (b) 2012 Plan means the Company's 2012 Equity Incentive Plan.
- (c) Adoption Date means March 3, 2017.
- (d) Affiliate means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity. For purposes of determining an individual's Continuous Service, this definition shall include any entity other than a Subsidiary, if the Company, a Parent and/or one or more Subsidiaries own not less than 50% of such entity.
- (e) Award means any award of an Option, SAR, Restricted Stock Grant, Stock Unit, Other Equity Award or Cash Award under the Plan.
- (f) Award Agreement means an agreement between the Company and a Participant evidencing the award of an Option, SAR, Restricted Stock Grant, Stock Unit, Other Equity Award or Cash Award as applicable.
- (g) Board means the Board of Directors of the Company.

(h) Cash Award means a cash incentive opportunity awarded under this Plan, to a Covered Employee that is (i) payable only in cash, (ii) not an Option, SAR, Restricted Stock Grant, Stock Unit or Other Equity Award, (iii) paid based on achievement of Performance Goal(s) and (iv) intended to qualify as performance-based compensation under Code Section 162(m).

(i) Cashless Exercise means, to the extent authorized by the Committee in an Award Agreement or otherwise and as permitted by applicable law and in accordance with any procedures established by the Committee, an arrangement whereby payment of some or all of the aggregate Exercise Price may be made all or in part by delivery of an irrevocable direction to a securities broker to sell Shares and to deliver all or part of the sale proceeds to the Company. Cashless Exercise may also be utilized to satisfy an Option's tax withholding obligations as provided in Section 16(b).

(j) Cause means, as to any Participant, unless the applicable Award Agreement states otherwise, (i) Cause as defined in the Participant's employment agreement or consulting agreement in effect immediately prior to the Termination Date, or (ii) in the absence of any such employment or consulting agreement (or the absence of any definition of Cause contained therein), (A) the Participant's conviction of (or plea of guilty or no contest to) a felony involving moral turpitude; (B) the Participant's willful and continued failure to substantially perform the Participant's designated duties or to follow lawful and authorized directions of the Company after written notice from or on behalf of the Company; (C) the Participant's willful misconduct (including willful violation of the Company's policies that are applicable to the Participant) or gross negligence that results in material reputational or financial harm to the Company; (D) any act of fraud, theft, or any material act of dishonesty by the Participant regarding the Company's business; (E) the Participant's material breach of fiduciary duty to the Company (including without limitation, acting in competition with, or taking other adverse action against, the Company during the period of the Participant's employment with the Company, including solicitation of one or more Employees to either terminate their

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Service or to work for any business entity that is not affiliated with the Company); (F) any illegal or unethical act (inside or outside of the Participant's scope of employment) by the Participant that results in material reputational or financial harm to the Company; (G) the Participant's material misrepresentation regarding personal and/or Company performance and/or the Company's records for personal or family financial benefit; (H) the Participant's material or systematic unauthorized use or abuse of corporate resources of the Company for personal or family financial benefit; or (I) the Participant's refusal to testify or cooperate in legal proceedings or investigations involving the Company. In each of the foregoing subclauses (A) through (I), whether or not a Cause event has occurred will be determined by the Company's chief human resources officer or other person performing that function or, in the case of Participants who are Directors or Officers or Section 16 Persons, the Committee or the Board, each of whose determination shall be final, conclusive and binding. The Board or Committee may also in its discretion determine that a Participant's Continuous Service may be deemed to have been terminated for Cause if, after the Participant's Continuous Service has terminated, facts and circumstances are discovered that would have justified a termination for Cause, including, without limitation, violation of material Company policies or breach of confidentiality or other restrictive covenants that may apply to the Participant.

(k) Change in Control except as may otherwise be provided in a Participant's employment agreement or applicable Award Agreement (and in such case the employment agreement or Award Agreement shall govern as to the definition of Change in Control), means the consummation of any one or more of the following:

(i) The sale, exchange, lease or other disposition of all or substantially all of the assets of the Company to a person or group of related persons, as such terms are defined or described in Sections 3(a)(9) and 13(d)(3) of the Exchange Act;

(ii) A merger or consolidation involving the Company in which the voting securities of the Company owned by the stockholders of the Company immediately prior to such merger or consolidation do not represent, after conversion if applicable, more than fifty percent (50%) of the total voting power of the surviving controlling entity outstanding immediately after such merger or consolidation; provided, that any person who (A) was a beneficial owner (within the meaning of Rules 13d-3 and 13d-5 promulgated under the Exchange Act) of the voting securities of the Company immediately prior to such merger or consolidation, and (B) is a beneficial owner of more than 20% of the securities of the Company immediately after such merger or consolidation, shall be excluded from the list of stockholders of the Company immediately prior to such merger or consolidation for purposes of the preceding calculation;

(iii) Any person or group is or becomes the Beneficial Owner (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the voting stock of the Company (including by way of merger, consolidation or otherwise) (for the purposes of this clause (iii), a member of a group will not be considered to be the Beneficial Owner of the securities owned by other members of the group);

(iv) During any period of two (2) consecutive years, individuals who at the beginning of such period constituted the Board (together with any new directors whose election by such Board or whose nomination for election by the stockholders of the Company was approved by a vote of a majority of the directors of the Company then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease, by reason of one or more contested elections for Board membership, to constitute a majority of the Board then in office; or

(v) The consummation of a complete liquidation or dissolution of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions.

- (l) Code means the Internal Revenue Code of 1986, as amended, and the regulations and interpretations promulgated thereunder.
- (m) Committee means a committee described in Section 3.
- (n) Common Stock means the Company's Class A common stock, \$0.01 par value per Share, and any other securities into which such shares are changed, for which such shares are exchanged or which may be issued in respect thereof.
- (o) Company means CBRE Group, Inc., a Delaware corporation.
- (p) Consultant means an individual or entity which performs *bona fide* services to the Company, a Parent, a Subsidiary or an Affiliate, other than as an Employee or Non-Employee Director, and who may be offered securities registerable pursuant to a registration statement on Form S-8 under the Securities Act.
- (q) Continuous Service means uninterrupted service as an Employee, Non-Employee Director or Consultant. Continuous Service will be deemed terminated as soon as the entity to which Continuous Service is being provided is no longer any of (i) the Company, (ii) a Parent, (iii) a Subsidiary or (iv) an Affiliate. A Participant's Continuous Service does not terminate if he or she is a common-law employee and goes on a *bona fide* leave of absence that was approved by the Company in writing and the terms of the leave provide for continued service crediting, or when continued service crediting is required by applicable law. However, for purposes of determining whether an Employee's outstanding ISOs are eligible to continue to qualify as ISOs (and

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not become NSOs), an Employee's Continuous Service will be treated as terminating three (3) months after such Employee went on leave, unless such Employee's right to return to active work is guaranteed by law or by a contract. Continuous Service terminates in any event when the approved leave ends, unless such Employee immediately returns to active work. The Committee determines which leaves count toward Continuous Service, and when Continuous Service commences and terminates for all purposes under the Plan. For avoidance of doubt, a Participant's Continuous Service shall not be deemed terminated if the Committee determines that (i) a transition of employment to service with a partnership, joint venture or corporation not meeting the requirements of a Subsidiary or Parent or Affiliate in which the Company or a Subsidiary or Parent or Affiliate is a party is not considered a termination of Continuous Service, (ii) the Participant transfers between service as an Employee and service as a Consultant or other personal service provider (or vice versa), or (iii) the Participant transfers between service as an Employee and that of a Non-Employee Director (or vice versa). The Committee may determine whether any Company transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in termination of Continuous Service for purposes of any affected Awards, and the Committee's decision shall be final, conclusive and binding.

(r) Covered Employees means those individuals whose compensation is (or may be) subject to the deduction limitations of Code Section 162(m).

(s) DGCL means the Delaware General Corporation Law, as amended.

(t) Disability means, as to any Participant, unless the applicable Award Agreement states otherwise, (i) Disability as defined in the Participant's employment agreement or consulting agreement in effect at the time Disability is to be determined, or (ii) in the absence of any such employment or consulting agreement (or the absence of any definition of Disability contained therein), the following:

(A) For all ISOs, the permanent and total disability of a Participant within the meaning of Code Section 22(e)(3); or

(B) For all other Awards, the Participant's physical or mental incapacitation such that for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period, the Participant is unable to substantially perform his or her duties.

Any question as to the existence of the Participant's physical or mental incapacitation as to which the Participant or the Participant's representative and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Participant or the Participant's representative, as applicable, and the Company. If the Participant or the Participant's representative, as applicable, and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two (2) physicians shall select a third (3rd) physician who shall make such determination in writing. The determination of Disability made in writing to the Company and the Participant or the Participant's representative, as applicable, shall be final and conclusive for all purposes of the Awards granted to such Participant that remain outstanding at the time of determination of Disability.

(u) Employee means any individual who is a common-law employee of the Company, or of a Parent, or of a Subsidiary or of an Affiliate. An employee who is also serving as a member of the Board is an Employee for purposes of this Plan.

(v) Exchange Act means the Securities Exchange Act of 1934, as amended.

(w) Exercise Price means, (i) in the case of an Option, the amount for which a Share may be purchased upon exercise of such Option, as specified in the applicable Award Agreement and (ii) in the case of a SAR, an amount, as specified

in the applicable Award Agreement, which is subtracted from the Fair Market Value in determining the amount payable to a Participant upon exercise of such SAR.

(x) Fair Market Value means the market price of a Share, determined by the Committee as follows:

(i) If the Common Stock is listed on a national securities exchange (such as the NYSE, NYSE Amex, the NASDAQ Global Market or NASDAQ Capital Market) at the time of determination, then the Fair Market Value shall be equal to the regular session closing price for such Common Stock as reported on the primary exchange on which the Common Stock is listed and traded on the date of determination, or if there were no sales on such date, on the last date preceding such date on which a closing price was reported;

(ii) If the Common Stock is not listed on national securities exchange but are quoted on an inter-dealer quotation system on a last sale basis at the time of determination, then the Fair Market Value shall be equal to the last sale price reported by the inter-dealer quotation system for such date, or if there were no sales on such date, on the last date preceding such date on which a sale was reported; and

(iii) If the Common Stock is not listed on a national securities exchange or quoted on an inter-dealer quotation system on a last sale basis, then the Fair Market Value shall be the amount determined by the Committee in good faith to be the fair market value of the Common Stock.

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- (y) Fiscal Year means the Company's fiscal year.
- (z) GAAP means United States generally accepted accounting principles as established by the Financial Accounting Standards Board.
- (aa) Incentive Stock Option or ISO means an incentive stock option described in Code Section 422.
- (bb) ISO Limit means the maximum aggregate number of Shares that are permitted to be issued pursuant to the exercise of ISOs granted under the Plan as described in Section 5(a).
- (cc) Minimum Vesting Condition means, with respect to an Award, that the full vesting of (or lapsing of restrictions on) such Award does not occur any more rapidly than on the third anniversary of the date of grant (or the date of commencement of employment or service, in the case of a grant made in connection with a Participant's commencement of employment or service) (it being understood that the Award may vest ratably on an annual basis over such three-year period), other than (i) in connection with a Change in Control, or (ii) as a result of a Participant's retirement, death or Disability.
- (dd) Net Exercise means, to the extent that an Award Agreement so provides and as permitted by applicable law, an arrangement pursuant to which the number of Shares issued to the Optionee in connection with the Optionee's exercise of the Option will be reduced by the Company's retention of a portion of such Shares. Upon such a net exercise of an Option, the Optionee will receive a net number of Shares that is equal to (i) the number of Shares as to which the Option is being exercised minus (ii) the quotient (rounded down to the nearest whole number) of the aggregate Exercise Price of the Shares being exercised divided by the Fair Market Value of a Share on the Option exercise date. The number of Shares covered by clause (ii) will be retained by the Company and not delivered to the Optionee. No fractional Shares will be created as a result of a Net Exercise and the Optionee must contemporaneously pay for any portion of the aggregate Exercise Price that is not covered by the Shares retained by the Company under clause (ii). The number of Shares delivered to the Optionee may be further reduced if Net Exercise is utilized under Section 16(b) to satisfy applicable tax withholding obligations.
- (ee) Non-Employee Director means a member of the Board who is not an Employee.
- (ff) Nonstatutory Stock Option or NSO means a stock option that is not an ISO.
- (gg) NYSE means the New York Stock Exchange.
- (hh) Officer means an individual who is an officer of the Company within the meaning of Rule 16a-1(f) of the Exchange Act.
- (ii) Option means an ISO or NSO granted under the Plan entitling the Optionee to purchase a specified number of Shares, at such times and applying a specified Exercise Price, as provided in the applicable Award Agreement.
- (jj) Optionee means an individual, estate or other entity that holds an Option.
- (kk) Other Equity Award means an award (other than an Option, SAR, Stock Unit, Restricted Stock Grant or Cash Award) which derives its value from the value of Shares and/or from increases in the value of Shares.
- (ll) Outside Director means a Non-Employee Director who is an outside director for purposes of Code Section 162(m).

(mm) Parent means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the Stockholder Approval Date shall be considered a Parent commencing as of such date.

(nn) Participant means an Employee, Consultant, or Non-Employee Director who has been selected by the Committee to receive an Award under the Plan.

(oo) Performance Criteria means the criteria (and adjustments) that the Committee selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period, determined as follows:

(i) The Performance Criteria that shall be used to establish Performance Goals are limited to the following and may be determined in accordance with GAAP or on a non-GAAP basis: (A) annual revenue, (B) earnings before interest, taxes, depreciation and amortization, including EBIT or EBITDA, (C) earnings per share, (D) stock price, (E) operating cash flow, (F) net income, (G) profit margins, operating margins, gross margins or cash margins, (H) revenue growth, (I) pre- or after-tax income (before or after allocations of corporate overhead and bonuses), (J) return on equity, (K) total stockholder return, (L) return on assets or net assets, (M) appreciation in and/or maintenance of the price of the Common Stock, (N) market share, (O) gross or net operating profits, (P) economic value-added models or equivalent metrics, (Q) competitive market metrics, (R) reductions in costs, (S) cash flow or cash flow per share, (T) return on capital (including return on total capital or return on invested capital), (U) cash flow return on investment, (V) improvement in or attainment of expense levels or working capital levels, (W) year-end cash, (X) debt reductions, (Y) stockholder equity, (Z) regulatory or litigation achievements, (AA) implementation, completion or attainment of measurable objectives with respect to business development, new products or services, budgets, regulatory or business risks, acquisitions, divestitures or recruiting and maintaining

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personnel, or (BB) any combination of the foregoing, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or index. Such Performance Goals also may be based solely by reference to the Company's performance or the performance of a Parent, Subsidiary, Affiliate, division, business segment or business unit of the Company, or based upon the relative performance of other companies or upon comparisons of any of the indicators of performance relative to other companies. To the extent required under Code Section 162(m), the Committee shall, within the first ninety (90) days of a Performance Period (or, within any other maximum period allowed under Code Section 162(m)), define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period.

(ii) The Committee may, in its sole discretion, provide that one or more objectively determinable adjustments shall be made to one or more of the Performance Goals. Such adjustments may include one or more of the following: (A) items related to a change in accounting principle; (B) items relating to financing activities; (C) expenses for restructuring or productivity initiatives; (D) other non-operating items; (E) items related to acquisitions; (F) items attributable to the business operations of any entity acquired by the Company during the Performance Period; (G) items related to the disposal of a business or segment of a business; (H) items related to discontinued operations that do not qualify as a segment of a business under GAAP; (I) items attributable to any stock dividend, stock split, combination or exchange of shares occurring during the Performance Period; (J) any other items of significant income or expense which are determined to be appropriate adjustments; (K) items relating to unusual or extraordinary corporate transactions, events or developments, (L) items related to amortization of acquired intangible assets; (M) items that are outside the scope of the Company's core, on-going business activities; or (N) items relating to any other unusual or nonrecurring events or changes in applicable laws, accounting principles or business conditions. Unless otherwise determined by the Committee at the time an Award is granted, the Committee shall, during the first ninety (90) days of a Performance Period (or, within any other maximum period allowed under Code Section 162(m)), or at any time thereafter to the extent the exercise of such authority at such time would not cause any Awards granted to any Participant for such Performance Period and intended to qualify as performance-based compensation under Code Section 162(m) to fail to so qualify, specify adjustments or modifications to be made to the calculation of a Performance Goal for such Performance Period.

(pp) Performance Goals means for a Performance Period, one or more goals established in writing by the Committee for the Performance Period based upon one or more Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a Parent, Subsidiary, Affiliate, division, business unit, or an individual.

(qq) Performance Period means one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to, and the payment of, an Award; provided, that no Performance Period shall be less than twelve months as measured from the commencement of the period over which performance is evaluated.

(rr) Plan means this CBRE Group, Inc. 2017 Equity Incentive Plan as it may be amended from time to time.

(ss) Prior Equity Compensation Plans means the 2012 Plan, 2004 Plan, the Company's 2001 Stock Incentive Plan, and their predecessor plans and any other Company nonqualified equity compensation plans.

(tt) Re-Price means that the Company has lowered or reduced the Exercise Price of outstanding Options and/or outstanding SARs and/or outstanding Other Equity Awards for any Participant(s) in a manner described by SEC Regulation S-K Item 402(d)(2)(viii) (or as described in any successor provision(s) or definition(s)). For avoidance of doubt, Re-Price also includes any exchange of Options or SARs for other Awards or cash.

- (uu) Restricted Stock Grant means Shares awarded under the Plan as provided in the applicable Award Agreement.
- (vv) Rule 16b-3 means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.
- (ww) SEC means the Securities and Exchange Commission.
- (xx) Section 16 Persons means those Officers, Directors or other persons who are subject to Section 16 of the Exchange Act.
- (yy) Securities Act means the Securities Act of 1933, as amended.
- (zz) Separation From Service has the meaning provided to such term under Code Section 409A and the regulations promulgated thereunder. With respect to any Award that is considered deferred compensation subject to Code Section 409A, references in the Plan or in any Award Agreement to termination of employment (and substantially similar phrases) shall mean Separation From Service.

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(aaa) Share means one share of Common Stock.

(bbb) Share Limit means the maximum aggregate number of Shares that are permitted to be issued under the Plan as described in Section 5(a).

(cc) Specified Employee means a Participant who is considered a specified employee within the meaning of Code Section 409A.

(ddd) Stock Appreciation Right or SAR means a stock appreciation right awarded under the Plan which provides the holder with a right to potentially receive, in cash and/or Shares, appreciation in value over the Exercise Price with respect to a specific number of Shares, as provided in the applicable Award Agreement.

(eee) Stock Unit means a bookkeeping entry representing the equivalent of one Share awarded under the Plan, as provided in the applicable Award Agreement.

(fff) Stockholder Approval Date means the date that the Company's stockholders approve this Plan.

(ggg) Subsidiary means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the Stockholder Approval Date shall be considered a Subsidiary commencing as of such date.

(hhh) Substitute Awards means Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by an entity acquired by the Company or any Parent or any Subsidiary or any Affiliate or with which the Company or any Parent or any Subsidiary or any Affiliate combines.

(iii) Termination Date means the date on which a Participant's Continuous Service terminates.

(jjj) 10-Percent Shareholder means an individual who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries. In determining stock ownership, the attribution rules of Code Section 424(d) shall be applied.

SECTION 3. ADMINISTRATION.

(a) Committee Composition. A Committee (or Committees) appointed by the Board (or its Compensation Committee) shall administer the Plan. Unless the Board provides otherwise, the Board's compensation committee (or a comparable committee of the Board) shall be the Committee. The Board may also at any time terminate the functions of the Committee and reassume all powers and authority previously delegated to the Committee.

To the extent required to enable Awards to be exempt from liability under Section 16(b) of the Exchange Act or to qualify as performance-based compensation under Code Section 162(m), the Committee shall have membership composition which enables (i) Awards to Section 16 Persons to qualify as exempt from liability under Section 16(b) of the Exchange Act and (ii) Awards to Covered Employees to qualify as performance-based compensation as provided under Code Section 162(m).

The Board or the Committee may also appoint one or more separate committees of the Board, each composed of directors of the Company who need not qualify under Rule 16b-3 or Code Section 162(m), that may (i) administer the Plan with respect to Participants who are not Section 16 Persons or Covered Employees, respectively, (ii) grant Awards under the Plan to such Participants and (iii) determine all terms of such Awards. To the extent permitted by applicable law, the Board may also appoint a committee, composed of one or more officers of the Company, that may authorize Awards to Employees (who are not Section 16 Persons or Covered Employees) within parameters specified by the Board and consistent with any limitations imposed by applicable law.

Notwithstanding the foregoing, the Board shall constitute the Committee and shall administer the Plan with respect to all Awards granted to Non-Employee Directors.

(b) Authority of the Committee. Subject to the provisions of the Plan, the Committee shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Such actions shall include without limitation:

(i) determining Participants who are to receive Awards under the Plan;

(ii) determining the type, number, vesting requirements, Performance Goals (or other objective/subjective goals (if any)) and their degree of satisfaction, and other features and conditions of such Awards and amending such Awards;

(iii) correcting any defect, supplying any omission, or reconciling or clarifying any inconsistency in the Plan or any Award Agreement;

(iv) accelerating the vesting or extending the post-termination exercise term, or waiving restrictions, of Awards at any time and under such terms and conditions as it deems appropriate;

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- (v) permitting or denying, in its discretion, a Participant's request to transfer an Award;
- (vi) permitting or requiring, in its discretion, a Participant to use Cashless Exercise, Net Exercise and/or Share withholding with respect to the payment of any Exercise Price and/or applicable tax withholding;
- (vii) interpreting the Plan and any Award Agreements;
- (viii) making all other decisions relating to the operation of the Plan; and
- (ix) granting Awards to Participants who are foreign nationals on such terms and conditions different from those specified in the Plan, which may be necessary or desirable to foster and promote achievement of the purposes of the Plan, and adopting such modifications, procedures, and/or subplans (with any such subplans attached as appendices to the Plan) and the like as may be necessary or desirable to comply with provisions of the laws or regulations of other countries or jurisdictions to ensure the viability of the benefits from Awards granted to Participants employed in such countries or jurisdictions, or to meet the requirements that permit the Plan to operate in a qualified or tax efficient manner, and/or comply with applicable foreign laws or regulations.

The Committee may adopt such rules or guidelines, as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final, conclusive and binding on all persons. The Committee's decisions and determinations need not be uniform and may be made selectively among Participants in the Committee's sole discretion. The Committee's decisions and determinations will be afforded the maximum deference provided by applicable law.

(c) **Indemnification**. To the maximum extent permitted by applicable law, each member of the Committee, or of the Board, or any persons (including without limitation Employees and Officers) who are delegated by the Board or Committee to perform administrative functions in connection with the Plan, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any Award Agreement, and (ii) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her; provided, that, he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

SECTION 4. GENERAL.

(a) **General Eligibility**. Only Employees, Consultants, and Non-Employee Directors shall be eligible for designation as Participants by the Committee.

(b) **Incentive Stock Options**. Only Participants who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, a Participant who is a 10-Percent Shareholder shall not be eligible for the grant of an ISO unless the requirements set forth in Code Section 422(c)(5) are satisfied. If and to the extent that any Shares are issued under a portion of any Option that exceeds the \$100,000 limitation of Code Section 422, such Shares shall not be treated as issued under an ISO notwithstanding any designation otherwise. Certain decisions, amendments, interpretations and actions by the Company or the Committee and certain actions by a

Participant may cause an Option to cease to qualify as an ISO pursuant to the Code and by accepting an Award of Options, a Participant agrees in advance to such disqualifying action(s).

(c) Restrictions on Shares. Any Shares issued pursuant to an Award shall be subject to such Company policies, rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. Such restrictions shall apply in addition to any restrictions that may apply to holders of Shares generally and shall also comply to the extent necessary with applicable law. In no event shall the Company be required to issue fractional Shares under this Plan.

(d) No Rights as a Stockholder. A Participant, or a transferee of a Participant, shall have no rights as a stockholder (including without limitation voting rights or dividend or distribution rights) with respect to any Common Stock covered by an Award until such Participant or transferee, as applicable, becomes entitled to receive such Common Stock, has satisfied any applicable tax withholding obligations relating to the Award and the Common Stock has been issued to such Participant or transferee, as applicable. No adjustment shall be made for cash or stock dividends or other rights for which the record date is prior to the date when such Common Stock is issued, except as expressly provided in Section 13.

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(e) Termination of Continuous Service. Unless the applicable Award Agreement or employment or consulting agreement provides otherwise (and in such case, the Award Agreement or employment or consulting agreement shall govern as to the consequences of a termination of Continuous Service for such Awards), the following rules shall govern the vesting, exercisability and term of outstanding Awards held by a Participant in the event of termination of such Participant's Continuous Service:

(i) if the Continuous Service of a Participant is terminated for Cause, then all of his/her then-outstanding Options, SARs, and unvested portions of all other Awards shall terminate and be forfeited immediately without consideration as of the Termination Date (except for repayment of any amounts the Participant had paid to the Company to acquire unvested Shares underlying the forfeited Awards);

(ii) if the Continuous Service of a Participant is terminated due to Participant's retirement, death or Disability, then the vested portions of his/her then-outstanding Options, SARs, and, if applicable, Other Equity Awards may be exercised by such Participant or his or her personal representative within the lesser of the remaining term of such Option, SAR, and, if applicable, Other Equity Awards and twelve (12) months after the Termination Date and all unvested portions of all then-outstanding Awards shall be forfeited without consideration as of the Termination Date (except for repayment of any amounts the Participant had paid to the Company to acquire unvested Shares underlying the forfeited Awards); and

(iii) if the Continuous Service of Participant is terminated for any reason other than for Cause or due to Participant's retirement, death or Disability, then the vested portion of his/her then-outstanding Options, SARs, and, if applicable, Other Equity Awards may be exercised by such Participant within the lesser of the remaining term of such Option, SAR, and, if applicable, Other Equity Awards and three (3) months after the Termination Date and all unvested portions of all then-outstanding Awards shall be forfeited without consideration as of the Termination Date (except for repayment of any amounts the Participant had paid to the Company to acquire unvested Shares underlying the forfeited Awards).

(f) Code Section 409A. Notwithstanding anything in the Plan to the contrary, the Plan and Awards granted hereunder are intended to comply with, or be exempt from, the requirements of Code Section 409A and shall be interpreted in a manner consistent with such intention. In the event that any provision of the Plan or an Award Agreement is determined by the Committee to not comply with the applicable requirements of Code Section 409A or the applicable regulations and other guidance issued thereunder, the Committee shall have the authority to take such actions and to make such changes to the Plan or an Award Agreement as the Committee deems necessary to comply with such requirements. Any payment made pursuant to any Award shall be considered a separate payment and not one of a series of payments for purposes of Code Section 409A. Notwithstanding the foregoing or anything elsewhere in the Plan or an Award Agreement to the contrary, if upon a Participant's Separation From Service the Participant is then a Specified Employee, then solely to the extent necessary to comply with Code Section 409A and avoid the imposition of taxes under Code Section 409A, the Company shall defer payment of nonqualified deferred compensation subject to Code Section 409A payable as a result of and within six (6) months following such Separation From Service under this Plan until the earlier of (i) the first business day of the seventh month following the Participant's Separation From Service, or (ii) ten (10) days after the Company receives written confirmation of the Participant's death. Any such delayed payments shall be made without interest. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on a Participant by Code Section 409A or any damages for failing to comply with Code Section 409A. Unless otherwise provided by the Committee in an Award Agreement or otherwise, in the event that the timing of payments in respect of any Award (that would otherwise be considered nonqualified deferred compensation subject to Code Section 409A) would be accelerated upon the occurrence of (x) a Change in Control, no such acceleration shall be permitted unless the event giving rise to the Change in Control satisfies the definition of a change in the ownership or effective control of a corporation, or a change in the ownership

of a substantial portion of the assets of a corporation pursuant to Code Section 409A; or (y) a Disability, no such acceleration shall be permitted unless the Disability also satisfies the definition of Disability pursuant to Code Section 409A.

(g) Suspension or Termination of Awards. If at any time (including after a notice of exercise has been delivered) the Committee (or the Board), reasonably believes that a Participant has committed an act of Cause (which includes a failure to act), the Committee (or Board) may suspend the Participant's right to exercise any Award (or vesting or settlement of any Award) pending a determination of whether there was in fact an act of Cause. If the Committee (or the Board) determines a Participant has committed an act of Cause, neither the Participant nor his or her estate or personal representative shall be entitled to exercise any outstanding Award whatsoever and all of Participant's outstanding Awards shall then terminate without consideration. Any determination by the Committee (or the Board) with respect to the foregoing shall be final, conclusive and binding on all interested parties.

(h) Electronic Communications. Subject to compliance with applicable law and/or regulations, an Award Agreement or other documentation or notices relating to the Plan and/or Awards may be communicated to Participants (and executed by Participants) by electronic media.

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(i) **Unfunded Plan.** The Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are granted Awards under the Plan, any such accounts will be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets which may at any time be represented by Awards, nor shall the Plan be construed as providing for such segregation, nor shall the Company, the Board or the Committee be deemed to be a trustee of stock or cash to be awarded under the Plan.

(j) **Liability of Company.** The Company (or members of the Board or Committee) shall not be liable to a Participant or other persons as to: (i) the non-issuance or sale of Shares as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder; and (ii) any unexpected or adverse tax consequence or any tax consequence expected, but not realized, by any Participant or other person due to the grant, receipt, exercise or settlement of any Award granted hereunder.

(k) **Reformation.** In the event any provision of this Plan shall be held illegal or invalid for any reason, such provisions will be reformed by the Board if possible and to the extent needed in order to be held legal and valid. If it is not possible to reform the illegal or invalid provisions then the illegality or invalidity shall not affect the remaining parts of this Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

(l) **Payment of Non-Employee Director Cash Fees with Equity Awards.** If the Board affirmatively decides to authorize such a process, each Non-Employee Director may elect to receive a Restricted Stock Grant (or Stock Units) issued under the Plan in lieu of payment of all or a portion of his or her annual cash retainer and/or any other cash fees including, without limitation, meeting fees, committee service fees and participation fees. Any such elections made by a Non-Employee Director shall be effected no later than the time permitted by applicable law (and, if applicable, in order to be a valid deferral election under Code Section 409A) and in accordance with the Company's insider trading policies and/or other policies. The aggregate grant date fair market value of any Restricted Stock Grants or Stock Units issued pursuant to this **Section 4(l)** is intended to be equivalent to the value of the foregone cash fees. Any cash fees not elected to be received as a Restricted Stock Grant or Stock Units shall be payable in cash in accordance with the Company's standard payment procedures. The Board in its discretion shall determine the terms, conditions and procedures for implementing this **Section 4(l)** and may also modify or terminate its operation at any time.

(m) **Successor Provision.** Any reference to a statute, rule or regulation, or to a section of a statute, rule or regulation, is a reference to that statute, rule, regulation, or section as amended from time to time, both before and after the Adoption Date and including any successor provisions.

(n) **No Re-Pricing of Options or SARs.** Notwithstanding anything to the contrary, outstanding Options or SARs may not be Re-Priced without the approval of Company stockholders.

(o) **Governing Law.** This Plan and (unless otherwise provided in the Award Agreement) all Awards shall be construed in accordance with and governed by the laws of the State of Delaware, but without regard to its conflict of law provisions. The Committee may provide that any dispute as to any Award shall be presented and determined in such forum as the Committee may specify, including through binding arbitration. Unless otherwise provided in the Award Agreement, recipients of an Award under the Plan are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of California to resolve any and all issues that may arise out of or relate to the Plan or any Award Agreement thereunder.

(p) **Minimum Vesting.** All Awards granted under the Plan, other than (x) Substitute Awards and (y) Restricted Stock Grants or Awards of Stock Units that a Non-Employee Director has elected to receive in lieu of payment of all or a portion of his or her annual cash retainer and/or any other cash fees, shall be subject to the Minimum Vesting

Condition; provided, that the Minimum Vesting Condition shall not be required for Restricted Stock Grants, Stock Units and Other Equity Awards to the extent (i) that they are granted by a Committee composed solely of independent Non-Employee Directors and (ii) the number of Shares underlying such Awards do not in the aggregate exceed, at the time the Award is granted, the product of five percent (5%) multiplied by the Share Limit set forth in Section 5(a).

(q) Assignment or Transfer of Awards.

(i) Each Award shall be exercisable only by the Participant to whom such Award was granted during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant (unless such transfer is specifically required pursuant to a domestic relations order or by applicable law) other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(ii) Notwithstanding the foregoing, the Committee may, in its sole discretion, permit Awards (other than Incentive Stock Options) to be transferred by a Participant, without consideration, subject to such rules as the Committee may adopt consistent with any applicable Award Agreement to preserve the purposes of the Plan, to (A) any person who is a family member of the Participant, as such term is used in the instructions to Form S-8 under the Securities Act or any successor form of registration statement promulgated by the Securities and Exchange Commission (collectively, the Immediate Family Members); (B) a

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trust solely for the benefit of the Participant and the Participant's Immediate Family Members; (C) a partnership or limited liability company whose only partners or stockholders are the Participant and the Participant's Immediate Family Members; or (D) a beneficiary to whom donations are eligible to be treated as charitable contributions for federal income tax purposes (each transferee described in clauses (A), (B), (C) and (D) above is hereinafter referred to as a Permitted Transferee); provided, that the Participant gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Participant in writing that such a transfer would comply with the requirements of the Plan.

(iii) The terms of any Award transferred in accordance with clause (ii) above shall apply to the Permitted Transferee and any reference in the Plan, or in any applicable Award Agreement, to a Participant shall be deemed to refer to the Permitted Transferee, except that (A) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) Permitted Transferees shall not be entitled to exercise any transferred Option unless there shall be in effect a registration statement on an appropriate form covering the shares of Common Stock to be acquired pursuant to the exercise of such Option if the Committee determines, consistent with any applicable Award Agreement, that such a registration statement is necessary or appropriate; (C) neither the Committee nor the Company shall be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; and (D) the consequences of a Participant's Termination Date under the terms of the Plan and the applicable Award Agreement shall continue to be applied with respect to the Participant, including, without limitation, that an Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Award Agreement.

SECTION 5. SHARES SUBJECT TO PLAN AND SHARE LIMITS.

(a) Basic Limitations. The Common Stock issuable under the Plan shall be authorized but unissued Shares or treasury Shares or reacquired shares, bought on the market or otherwise. The maximum number of Shares that are issued under this Plan cannot exceed the Share Limit as may be adjusted under Section 13. For purposes of the Plan and subject to adjustment as provided in Section 13, the Share Limit is 10,000,000. For purposes of the Plan, (x) subject to adjustment as provided in Section 13, the ISO Limit cannot exceed 10,000,000 Shares and (y) the maximum number of Shares subject to Awards granted during a single fiscal year to any Non-Employee Director, taken together with any cash fees paid to such Non-Employee Director during the fiscal year, shall not exceed \$700,000 in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes).

(b) Share Accounting. To the extent that an Award (other than a Substitute Award) expires or is canceled, forfeited, or terminated without issuance to the Participant of the full number of shares of Common Stock to which the Award related, the unissued shares will again be available for grant under the Plan. If a Participant pays any withholding tax obligation with respect to an Award (other than an Option or SAR) by electing to have Shares withheld or surrendering previously owned Shares (or by stock attestation), the surrendered Shares and the Shares withheld to pay taxes shall not be counted toward the Share Limit. Notwithstanding anything to the contrary contained herein, in no event shall (i) Shares tendered or withheld on the exercise of Options for the payment of the Exercise Price (ii) Shares tendered by a Participant to satisfy withholding taxes in connection with the exercise of Options or SARs, (iii) Shares not issued upon the settlement of a SAR that settles in Shares (or could settle in Shares), or (iv) Shares purchased on the open market with cash proceeds from the exercise of Options or SARs, again become available for other Awards under the Plan.

(c) Substitute Awards. Substitute Awards, including without limitation any Shares that are delivered and any Awards that are granted by, or become obligations of, the Company, as a result of the assumption by the Company of, or in

substitution for, outstanding awards previously granted by another entity (as provided in Sections 6(e), 8(f), 9(e) or 10(e)), shall not count toward the Share Limit (but, for the avoidance of doubt, shall count against the ISO Limit), as applicable, nor shall Shares subject to a Substitute Award again be available for Awards under the Plan as provided in Section 5(b) above. Additionally, in the event that a company acquired by the Company or any Parent or any Subsidiary or any Affiliate or with which the Company or any Parent or any Subsidiary or any Affiliate combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not count toward the Share Limit; provided, that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Board members prior to such acquisition or combination.

(d) Dividend Equivalents. Any dividend equivalents distributed under the Plan shall not be counted against the Share Limit. Dividend equivalents will not be paid (or accrue) on unexercised Options or SARs and, if granted in connection with an Award of Stock Units or an Other Equity Award that is subject to vesting conditions, such dividend equivalents shall be subject to the same vesting conditions that apply to the related Award.

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SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) **Award Agreement.** Each Award of an Option under the Plan shall be evidenced by an Award Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan (including without limitation any Performance Goals). The provisions of the various Award Agreements entered into under the Plan need not be identical. The Award Agreement shall also specify whether the Option is an ISO and if not specified then the Option shall be an NSO.

(b) **Number of Shares.** An Award Agreement shall specify the number of Shares that are subject to the Option and shall provide for adjustment of such number in accordance with Section 13.

(c) **Exercise Price.** An Option's Exercise Price shall be established by the Committee and set forth in an Award Agreement. Except with respect to outstanding stock options being assumed or Options being granted in exchange for cancellation of options granted by another issuer as provided under Section 6(e), the Exercise Price of an Option shall not be less than 100% of the Fair Market Value (110% for 10-Percent Shareholders in the case of ISOs) of a Share on the date of grant of the Option.

(d) **Exercisability and Term.** Subject to Section 4(q), an Option may be exercised during the lifetime of the Participant only by the Participant or by the guardian or legal representative of the Participant. An Award Agreement shall specify the date when all or any installment of the Option is to become vested and/or exercisable. The Award Agreement shall also specify the term of the Option; provided, that the term of an Option shall in no event exceed ten (10) years from its date of grant (and may be for a shorter period of time than ten (10) years). An Award Agreement may provide for accelerated vesting in the event of the Participant's retirement, death, or Disability or, subject to Section 4(p), other events. Notwithstanding anything to the contrary, an ISO that is granted to a 10-Percent Shareholder shall have a maximum term of five (5) years. Notwithstanding any other provision of the Plan, no Option can be exercised after the expiration date provided in the applicable Award Agreement. An Award Agreement may permit an Optionee to exercise an Option before it is vested (an early exercise), subject to the Company's right of repurchase at the original Exercise Price of any Shares acquired under the unvested portion of the Option which right of repurchase shall lapse at the same rate the Option would have vested had there been no early exercise. An Award Agreement may also provide that the Company may determine to issue an equivalent value of cash in lieu of issuing some or all of the Shares that are being purchased upon an Option's exercise. In no event shall the Company be required to issue fractional Shares upon the exercise of an Option and the Committee may specify a minimum number of Shares that must be purchased in any one Option exercise.

(e) **Modifications or Assumption of Options.** Within the limitations of the Plan, the Committee may modify, extend or assume outstanding Options or may accept the cancellation of outstanding stock options (whether granted by the Company or by another issuer) in return for the grant of new Options for the same or a different number of Shares and at the same or a different Exercise Price. For avoidance of doubt, the Committee may not Re-Price outstanding Options without the approval of Company stockholders. No modification of an Option shall, without the consent of the Optionee, impair his or her rights or increase his or her obligations under such Option.

SECTION 7. PAYMENT FOR OPTION SHARES.

(a) **General Rule.** The entire Exercise Price of Shares issued upon exercise of Options shall be payable in cash (or check) at the time when such Shares are purchased by the Optionee, except as follows:

(i) In the case of an ISO granted under the Plan, payment shall be made only pursuant to the express provisions of the applicable Award Agreement. The Award Agreement may specify that payment may be made in any form(s) described in this Section 7.

(ii) In the case of an NSO granted under the Plan, the Committee may, in its discretion at any time (and as set forth in the applicable Award Agreement or otherwise), accept payment in any form(s) described in this Section 7.

(b) Surrender of Stock. To the extent that the Committee makes this Section 7(b) applicable to an Option in an Award Agreement or otherwise, payment for all or a part of the Exercise Price may be made with Shares which have already been owned by the Optionee for such duration as shall be specified by the Committee. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

(c) Cashless Exercise. To the extent that the Committee makes this Section 7(c) applicable to an Option in an Award Agreement or otherwise, payment for all or a part of the Exercise Price may be made through Cashless Exercise.

(d) Net Exercise. To the extent that the Committee makes this Section 7(d) applicable to an Option in an Award Agreement or otherwise, payment for all or a part of the Exercise Price may be made through Net Exercise.

(e) Other Forms of Payment. To the extent that the Committee makes this Section 7(e) applicable to an Option in an Award Agreement or otherwise, payment may be made in any other form that is consistent with applicable laws, regulations and rules and approved by the Committee.

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SECTION 8. TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS.

- (a) **Award Agreement.** Each Award of a SAR under the Plan shall be evidenced by an Award Agreement between the Participant and the Company. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan (including without limitation any Performance Goals). An Award Agreement may provide for a maximum limit on the amount of any payout notwithstanding the Fair Market Value on the date of exercise of the SAR. The provisions of the various Award Agreements entered into under the Plan need not be identical. SARs may be granted in consideration of a reduction in the Participant's other compensation.
- (b) **Number of Shares.** An Award Agreement shall specify the number of Shares to which the SAR pertains and is subject to adjustment of such number in accordance with Section 13.
- (c) **Exercise Price.** An Award Agreement shall specify the Exercise Price. Except with respect to outstanding stock appreciation rights being assumed or SARs being granted in exchange for cancellation of stock appreciation rights granted by another issuer as provided under Section 8(f), the Exercise Price of a SAR shall not be less than 100% of the Fair Market Value on the date of grant of the SAR.
- (d) **Exercisability and Term.** Subject to Section 4(q), a SAR may be exercised during the lifetime of the Participant only by the Participant or by the guardian or legal representative of the Participant. An Award Agreement shall specify the date when all or any installment of the SAR is to become exercisable. The Award Agreement shall also specify the term of the SAR which shall not exceed ten (10) years from the date of grant of the SAR (and may be for a shorter period of time than ten (10) years). No SAR can be exercised after the expiration date specified in the applicable Award Agreement. An Award Agreement may provide for accelerated exercisability in the event of the Participant's retirement, death, or Disability or, subject to Section 4(p), other events and may provide for expiration prior to the end of its term in the event of the termination of the Participant's Continuous Service.
- (e) **Exercise of SARs.** If, on the date when a SAR expires, the Exercise Price under such SAR is less than the Fair Market Value on such date but any portion of such SAR has not been exercised or surrendered, then such SAR shall automatically be deemed to be exercised as of such date with respect to such portion. Upon exercise of a SAR, the Participant (or any person having the right to exercise the SAR after Participant's death) shall receive from the Company (i) Shares, (ii) cash or (iii) any combination of Shares and cash, as the Committee shall determine. The amount of cash and/or the Fair Market Value of Shares received upon exercise of SARs shall, in the aggregate, be equal to the amount by which the Fair Market Value (on the date of surrender) of the Shares subject to the SARs exceeds the Exercise Price of the Shares.
- (f) **Modification or Assumption of SARs.** Within the limitations of the Plan, the Committee may modify, extend or assume outstanding SARs or may accept the cancellation of outstanding SARs (including stock appreciation rights granted by another issuer) in return for the grant of new SARs for the same or a different number of Shares and at the same or a different Exercise Price. For avoidance of doubt, the Committee may not Re-Price outstanding SARs without the approval of Company stockholders. No modification of a SAR shall, without the consent of the Participant, impair his or her rights or increase his or her obligations under such SAR.

SECTION 9. TERMS AND CONDITIONS FOR RESTRICTED STOCK GRANTS.

- (a) **Award Agreement.** Each Restricted Stock Grant awarded under the Plan shall be evidenced by an Award Agreement between the Participant and the Company. Each Restricted Stock Grant shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan (including without limitation any Performance Goals). The provisions of the Award Agreements entered into

under the Plan need not be identical.

(b) Number of Shares and Payment. An Award Agreement shall specify the number of Shares to which the Restricted Stock Grant pertains and is subject to adjustment of such number in accordance with Section 13. Restricted Stock Grants may be issued with or without the payment of cash consideration under the Plan.

(c) Vesting Conditions. Each Restricted Stock Grant shall be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Award Agreement (which conditions shall be subject to the minimum vesting requirements of Section 4(p), as applicable). An Award Agreement may provide for accelerated vesting in the event of the Participant's retirement, death, or Disability or, subject to Section 4(p), other events.

(d) Voting and Dividend Rights. The holder of a Restricted Stock Grant (irrespective of whether the Shares subject to the Restricted Stock Grant are vested or unvested) awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders. However, any dividends received on Shares that are unvested (whether such dividends are in the form of cash or Shares) shall be subject to the same vesting conditions and restrictions as the Restricted Stock Grant with respect to which the dividends were paid. Such additional Shares issued as dividends that are subject to the Restricted Stock Grant shall not count toward the Share Limit.

(e) Modification or Assumption of Restricted Stock Grants. Within the limitations of the Plan, the Committee may modify or assume outstanding Restricted Stock Grants or may accept the cancellation of outstanding Restricted Stock Grants (including

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stock granted by another issuer) in return for the grant of new Restricted Stock Grants for the same or a different number of Shares. No modification of a Restricted Stock Grant shall, without the consent of the Participant, impair his or her rights or increase his or her obligations under such Restricted Stock Grant.

SECTION 10. TERMS AND CONDITIONS OF STOCK UNITS.

(a) **Award Agreement.** Each grant of Stock Units under the Plan shall be evidenced by an Award Agreement between the Participant and the Company. Such Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan (including without limitation any Performance Goals). The provisions of the various Award Agreements entered into under the Plan need not be identical. Stock Units may be granted in consideration of a reduction in the Participant's other compensation.

(b) **Number of Shares and Payment.** An Award Agreement shall specify the number of Shares to which the Stock Unit Award pertains and is subject to adjustment of such number in accordance with Section 13. To the extent that an Award is granted in the form of Stock Units, no cash consideration shall be required of the Award recipients.

(c) **Vesting Conditions.** Each Award of Stock Units shall be subject to vesting (unless such Stock Unit is granted to a Non-Employee Director under a director compensation deferral program with respect to otherwise earned and vested compensation, in which case such Stock Unit need not be subject to vesting conditions). Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Award Agreement which conditions shall be subject to the minimum vesting requirements of Section 4(p), as applicable). An Award Agreement may provide for accelerated vesting in the event of the Participant's retirement, death, or Disability or, subject to Section 4(p), other events.

(d) **Voting and Dividend Rights.** The holders of Stock Units shall have no voting rights. Prior to settlement or forfeiture, any Stock Unit awarded under the Plan may, at the Committee's discretion, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash or Common Stock dividends paid on one Share while the Stock Unit is outstanding. Dividend equivalents may be converted into additional Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both. Prior to vesting of the Stock Units, any dividend equivalents accrued on such unvested Stock Units shall be subject to the same vesting conditions and restrictions as the Stock Units to which they attach. Dividend equivalents converted into additional Stock Units shall not count toward the Share Limit.

(e) **Modification or Assumption of Stock Units.** Within the limitations of the Plan, the Committee may modify or assume outstanding Stock Units or may accept the cancellation of outstanding Stock Units (including stock units granted by another issuer) in return for the grant of new Stock Units for the same or a different number of Shares. No modification of a Stock Unit shall, without the consent of the Participant, impair his or her rights or increase his or her obligations under such Stock Unit.

(f) **Form and Time of Settlement of Stock Units.** Settlement of vested Stock Units may be made in the form of (i) cash, (ii) Shares or (iii) any combination of both, as determined by the Committee. The actual number of Stock Units eligible for settlement may be larger or smaller than the number included in the original Award. Methods of converting Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Shares over a series of trading days. Except as otherwise provided in an Award Agreement or a timely completed deferral election, vested Stock Units shall be settled within thirty days after vesting. The Award Agreement may provide that distribution may occur or commence when all vesting conditions applicable to the Stock Units have been satisfied or have lapsed, or it may be deferred, in accordance with applicable law and subject to compliance with Code Section 409A, if applicable, to a later specified date. The amount of a deferred distribution may be increased by an

interest factor or by dividend equivalents. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to Section 13.

(g) Creditors Rights. A holder of Stock Units shall have no rights other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement.

SECTION 11. OTHER AWARDS

The Committee may in its discretion issue Other Equity Awards to Participants and/or Cash Awards to Covered Employees. The terms and conditions of any such Awards shall be evidenced by an Award Agreement between the Participant and the Company. Settlement of Other Equity Awards may be in the form of Shares and/or cash as determined by the Committee.

SECTION 12. CODE SECTION 162(M).

(a) Applicability. The provisions of Sections 12(b) and 12(c) shall apply to an Award if and only if all of the following items (i) through (iii) in this Section 12(a) are true as of the date of grant of such Award:

(i) the Company is a publicly held corporation within the meaning of Code Section 162(m);

(ii) the deduction limitations of Code Section 162(m) are applicable to Awards granted to Covered Employees under this Plan; and

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(iii) the Award is intended to qualify as performance-based compensation under Code Section 162(m).

(b) Administration. Awards issued in accordance with this Section 12 shall be granted by and administered by a Committee consisting solely of two or more Outside Directors. If Performance Goals are included in Awards in order to enable such Awards to qualify as performance-based compensation under Code Section 162(m), then such Awards will be subject to the achievement of such Performance Goals that will be established and administered pursuant to the requirements of Code Section 162(m) and as described in this Section 12(b). To the extent required by Code Section 162(m), the Committee shall certify in writing the degree to which the Performance Goals have been satisfied before any Shares underlying an Award or any Award payments are released to a Covered Employee with respect to a Performance Period. Without limitation, the approved minutes of a Committee meeting shall constitute such written certification.

Notwithstanding satisfaction of any completion of any Performance Goal, to the extent specified at the time of grant of an Award, the number of Shares, Options, SARs, Restricted Stock Units, or Other Equity Awards or the value of a Cash Award or any other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Performance Goals may be reduced by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine. For avoidance of doubt, Awards with Performance Goals or performance objectives (if any) that are granted to Participants who are not Covered Employees or any Awards to Covered Employees which are not intended to qualify as performance-based compensation under Code Section 162(m) need not comply with the requirements of Code Section 162(m) or this Section 12.

(c) Limits. Awards intended to qualify as performance-based compensation under Code Section 162(m) will be limited to the following amounts:

(i) Limits on Options and SARs. No Participant shall receive Options and/or SARs to purchase Shares during any Fiscal Year that in the aggregate cover in excess of 3,000,000 Shares.

(ii) Limits on Restricted Stock Grants and Stock Units. No Participant shall receive Restricted Stock Grants and/or Stock Units during any Fiscal Year that in the aggregate cover in excess of 2,000,000 Shares.

(iii) Limits on Other Equity Awards. No Participant shall receive Other Equity Awards during any Fiscal Year that in the aggregate cover in excess of 2,000,000 Shares.

(iv) Limit on Total Amount of All Awards Other than Cash Awards. No Participant shall receive Awards (excluding Cash Awards) during any Fiscal Year in excess of the aggregate amount of 3,300,000 Shares, whether such Awards are in the form of Options, SARs, Restricted Stock Grants, Stock Units and/or Other Equity Awards.

(v) Limit on Cash Awards. The maximum aggregate value of Cash Awards that may be received by any one Covered Employee with respect to any Fiscal Year is \$5,000,000.

SECTION 13. ADJUSTMENTS.

(a) Adjustments. In the event of a subdivision of the outstanding Shares, a declaration of a dividend payable in Shares, a declaration of an extraordinary cash dividend, a combination or consolidation of the outstanding Shares (by reclassification or otherwise) into a lesser number of Shares, a stock split, a reverse stock split, a reclassification or other distribution of the Shares without the receipt of consideration by the Company, of or on the Common Stock, a recapitalization, a combination, a spin-off or a similar occurrence, the Committee shall make equitable and proportionate adjustments, taking into consideration the accounting and tax consequences, to:

(1) the Share Limit and ISO Limit and the various Share numbers referenced in Section 5(a) and the Code Section 162(m) Share limits specified in Section 12(c);

(2) the number and kind of securities available for Awards (and which can be issued as ISOs) under Section 5;

(3) the number and kind of securities covered by each outstanding Award;

(4) the Exercise Price under each outstanding Option and SAR; and

(5) the number and kind of outstanding securities issued under the Plan.

(b) Participant Rights. Except as provided in this Section 13, a Participant shall have no rights by reason of any issue by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class. If by reason of an adjustment pursuant to this Section 13, a Participant's Award covers additional or different shares of stock or securities, then such additional or different shares and the Award in respect thereof shall be subject to all of the terms, conditions and restrictions which were applicable to the Award and the Shares subject to the Award prior to such adjustment.

(c) Fractional Shares. Any adjustment of Shares pursuant to this Section 13 shall be rounded down to the nearest whole number of Shares. Under no circumstances shall the Company be required to authorize or issue fractional shares. To the extent permitted by applicable law, no consideration shall be provided as a result of any fractional shares not being issued or authorized.

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SECTION 14. EFFECT OF A CHANGE IN CONTROL.

(a) **Merger or Reorganization.** In the event that there is a Change in Control and/or the Company is a party to a merger or acquisition or reorganization or similar transaction, outstanding Awards shall be subject to the merger agreement or other applicable transaction agreement. Such agreement may provide, without limitation, that subject to the consummation of the applicable transaction, for the assumption (or substitution) of outstanding Awards by the surviving corporation or its parent, for their continuation by the Company (if the Company is a surviving corporation), for accelerated vesting or for their cancellation with consideration or, solely in the case of an underwater Option or SAR, without consideration, in all cases without the consent of the Participant and outstanding Awards do not have to all be uniformly treated the same way.

(b) **Acceleration of Vesting.** In the event that a Change in Control occurs and there is no assumption, substitution or continuation of Awards pursuant to **Section 14(a)**, the Committee in its discretion may provide that some or all Awards shall vest and, if applicable, become exercisable as of immediately before such Change in Control. For avoidance of doubt, substitution includes, without limitation, an Award being replaced by a cash award that provides an equivalent intrinsic value (wherein intrinsic value equals the difference between the market value of a share and any exercise price).

(c) **Other Requirements.** Prior to any payment with respect to of assumption, substitution or continuation of any Awards contemplated under this **Section 14**, the Committee may require each Participant to (i) represent and warrant as to the unencumbered title to the Participant's Awards; (ii) bear such Participant's pro rata share of any post-closing indemnity obligations, and be subject to the same post-closing purchase price adjustments, escrow terms, offset rights, holdback terms, and similar conditions as the other holders of Common Stock, subject to any limitations or reductions as may be necessary to comply with Code Section 409A; and (iii) deliver customary transfer documentation as reasonably determined by the Committee.

SECTION 15. LIMITATIONS ON RIGHTS.

(a) **Retention Rights.** Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain in Continuous Service as an Employee, Consultant, or Non-Employee Director or to receive any other Awards under the Plan. The Company and its Parents and Subsidiaries and Affiliates reserve the right to terminate the Continuous Service of any person at any time, and for any reason, subject to applicable laws, the Company's Certificate of Incorporation and Bylaws and a written employment or consulting agreement (if any).

(b) **Regulatory Requirements.** Any other provision of the Plan notwithstanding, the obligation of the Company to issue Shares or other securities under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Shares or other securities pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Shares or other securities, to their registration, qualification or listing or to an exemption from registration, qualification or listing.

(c) **Dissolution.** To the extent not previously exercised or settled, Options, SARs, and unvested Stock Units, Restricted Stock Grants and Other Equity Awards shall terminate immediately prior to the dissolution or liquidation of the Company and shall be forfeited to the Company (except for repayment of any amounts a Participant had paid to the Company to acquire unvested Shares underlying the forfeited Awards).

(d) **Clawback Policy.** The Company may (i) cause the cancellation of any Award, (ii) require reimbursement of any Award by a Participant and (iii) effect any other right of recoupment of equity or other compensation provided under

this Plan or otherwise in accordance with Company policies as may be adopted and/or modified from time to time by the Company and/or applicable law (each, a Clawback Policy). In addition, a Participant may be required to repay to the Company certain previously paid compensation, whether provided under this Plan or an Award Agreement or otherwise, in accordance with the Clawback Policy. By accepting an Award, a Participant is also agreeing to be bound by the Company's Clawback Policy which may be amended from time to time by the Company in its discretion (including without limitation to comply with applicable laws or stock exchange requirements) and is further agreeing that all of the Participant's Awards (and/or awards issued under any of the Prior Equity Compensation Plans) may be unilaterally amended by the Company to the extent needed to comply with the Clawback Policy.

SECTION 16. TAXES.

(a) General. A Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations (including without limitation federal, state, local and foreign taxes) that arise in connection with his or her Award. The Company shall not be required to issue any Shares or make any cash payment under the Plan until such obligations are satisfied and the Company shall, to the maximum extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant.

(b) Share Withholding. The Committee in its discretion may permit or require a Participant to satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any Shares that otherwise would

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be issued to him or her or by surrendering all or a portion of any Shares that he or she previously acquired (or by stock attestation). Such Shares shall be valued based on the value of the actual trade or, if there is none, the Fair Market Value as of the previous day. Any payment of taxes by assigning Shares to the Company may be subject to restrictions, including, but not limited to, any restrictions required by rules of the SEC. The Committee may also, in its discretion, permit or require a Participant to satisfy withholding tax obligations related to an Award through a sale of Shares underlying the Award or, in the case of Options, through Net Exercise or Cashless Exercise. The number of Shares that are withheld from an Award pursuant to this section may in no event be in excess of minimum statutory withholding rates. The Committee, in its discretion, may permit or require other forms of payment of applicable tax withholding.

SECTION 17. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan is effective on the Stockholder Approval Date and no Awards may be granted under this Plan before the Stockholder Approval Date. If the Stockholder Approval Date does not occur before the first anniversary of the Adoption Date then the Plan shall terminate on such first anniversary without any Awards being issued hereunder. If the Stockholder Approval Date occurs before the first anniversary of the Adoption Date, then the Plan shall terminate on the tenth anniversary of the Adoption Date. In all cases, the Plan may be terminated on any earlier date other than what is specified above pursuant to Section 17(b). This Plan will not in any way affect outstanding awards that were issued under the Prior Equity Compensation Plans or other Company equity compensation plans. No new awards may be granted under any of the Prior Equity Compensation Plans as of the Stockholder Approval Date.

(b) Right to Amend or Terminate the Plan. The Board may amend or terminate the Plan at any time and for any reason. No Awards shall be granted under the Plan after the Plan's termination. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules. In addition, no such amendment or termination shall be made which would impair the rights of any Participant, without such Participant's written consent, under any then-outstanding Award; provided, that no such Participant consent shall be required with respect to any amendment or alteration if the Committee determines in its sole discretion that such amendment or alteration is required or advisable in order for the Company, the Plan or the Award to satisfy or conform to any applicable law or regulation or to meet the requirements of any accounting standard. In the event of any conflict in terms between the Plan and any Award Agreement, the terms of the Plan shall prevail and govern.

SECTION 18. EXECUTION.

To record the adoption of this Plan by the Board, the Company has caused its duly authorized Officer to execute this Plan on behalf of the Company.

CBRE GROUP, INC.

By: Robert E. Sulentic
Title: President and Chief Executive Officer

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