

CBRE GROUP, INC.  
Form DEF 14A  
April 05, 2018  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**CBRE Group, Inc.**

**(Name of Registrant as Specified in Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

1. Title of each class of securities to which transaction applies:
  
2. Aggregate number of securities to which transaction applies:
  
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
4. Proposed maximum aggregate value of transaction:
  
5. Total fee paid:

Fee paid previously with preliminary materials.

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

1. Amount Previously Paid:
  
2. Form, Schedule or Registration Statement No.:
  
3. Filing Party:
  
4. Date Filed:

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400 South Hope Street, 25<sup>th</sup> Floor

Los Angeles, California 90071

(213) 613-3333

April 5, 2018

Dear Fellow Stockholder:

On behalf of the Board of Directors and management of CBRE Group, Inc., I cordially invite you to attend our annual meeting of stockholders on Friday, May 18, 2018, at 200 Park Avenue, 21<sup>st</sup> Floor, New York, New York at 8:30 a.m. (Eastern Time). The notice of meeting and proxy statement that follow describe the business that we will consider at the meeting.

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

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

Sincerely yours,

**Robert E. Sulentic**

*President and Chief Executive Officer*

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Notice of 2018 Annual Meeting  
of Stockholders

**May 18, 2018**

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

***200 Park Avenue, 21<sup>st</sup> Floor, New York, New York***

**AGENDA:**

1. Elect the 10 Board-nominated directors named in the Proxy Statement;
  2. Ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018;
  3. Conduct an advisory vote on named executive officer compensation for the fiscal year ended December 31, 2017;
  4. Approve an amendment to our certificate of incorporation to reduce (to 25%) the stock-ownership threshold required for our stockholders to request a special stockholder meeting;
  5. If properly presented, to consider a stockholder proposal regarding our stockholders' ability to call special stockholder meetings; and
  6. Transact any other business properly introduced at the Annual Meeting.
- Only stockholders of record as of March 20, 2018 will be entitled to attend and vote at the Annual Meeting and any adjournments or postponements thereof.

We hope that you can attend the Annual Meeting in person. Regardless of whether you will attend in person, please complete and return your proxy so that your shares can be voted at the Annual Meeting in accordance with your instructions. Any stockholder attending the Annual Meeting may vote in person even if that stockholder returned a proxy. You will need to bring a picture ID and proof of ownership of CBRE Group, Inc. stock as of the record date to enter the Annual Meeting. If your common stock is held in the name of your broker, bank or other nominee and you want to vote in person, then you will need to obtain a legal proxy from the institution that holds your common stock indicating that you were the beneficial owner of our common stock on March 20, 2018.

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

**April 5, 2018**

By Order of the Board of Directors

**Laurence H. Midler**

*Executive Vice President, General Counsel and Secretary*

This Proxy Statement and accompanying proxy card are first being made available on or about April 5, 2018.

References in this Proxy Statement to CBRE, the company, we, us or our refer to CBRE Group, Inc. and include its consolidated subsidiaries, unless otherwise indicated or the context requires otherwise. References to the Board refer to our Board of Directors. A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, including financial statements, is being sent simultaneously with this Proxy Statement to each stockholder who requested paper copies of these materials and will also be available at [www.proxyvote.com](http://www.proxyvote.com).

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**Proxy Summary Information**

To assist you in reviewing the proposals to be voted upon at our 2018 Annual Meeting, we have summarized important information contained in this Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. This summary does not contain all of the information that you should consider, and you should carefully read the entire Proxy Statement and Annual Report on Form 10-K before voting.

**Voting**

Stockholders of record as of March 20, 2018 may cast their votes in any of the following ways:

<b>Internet</b>	<b>Phone</b>	<b>Mail</b>	<b>In Person</b>
Visit <i>www.proxyvote.com</i> . You will need the 16-digit number included in your proxy card, voter instruction form or notice.	Call 1-800-690-6903 or the number on your voter instruction form. You will need the 16-digit number included in your proxy card, voter instruction form or notice.	Send your completed and signed proxy card or voter instruction form to the address on your proxy card or voter instruction form.	If you plan to attend the meeting, you will need to bring a picture ID and proof of ownership of CBRE Group, Inc. stock as of the record date. If your common stock is held in the name of your broker, bank or other nominee and you want to vote in person, then you will need to obtain a legal proxy from the institution that holds your common stock indicating that you were the beneficial owner of our common stock on March 20, 2018.

**Voting Matters and Board Recommendation**

**Proposal**

**Board Vote Recommendation**

Elect Directors (page 8)	ü <i>FOR each Director Nominee</i>
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Ratify the Appointment of Independent Registered Public Accounting Firm for 2018 (page 27)

FOR

Advisory Vote to Approve Named Executive Officer Compensation for 2017 (page 30)

FOR

Approve an Amendment to our Certificate of Incorporation to Reduce (to 25%) the Stock-Ownership Threshold Required for our Stockholders to Request a Special Stockholder Meeting (page 70)

FOR

If Properly Presented, to Consider a Stockholder Proposal Regarding Special Stockholder Meetings (page 73)

*AGAINST*

### **Fiscal Year 2017 Business Highlights<sup>(1)</sup>**

We are the world's largest commercial real estate services and investment firm, based on 2017 global revenue of \$14.2 billion, with leading global market positions in our leasing, property sales, occupier outsourcing and valuation businesses.

Our service offering is supported by more than 450 offices worldwide with over 80,000 employees, excluding independent affiliates. We serve clients in more than 100 countries.

Our services include:

commercial real estate services operating under the CBRE brand name;

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

development services operating under the Trammell Crow Company brand name.



- (1) For more complete information regarding our fiscal year 2017 performance, please review our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. You can obtain a free copy of our Annual Report on Form 10-K at the SEC's website ([www.sec.gov](http://www.sec.gov)) or by submitting a written request by (i) mail to CBRE Group, Inc., Attention: Investor Relations, 200 Park Avenue, New York, New York 10166, (ii) telephone at (212) 984-6515 or (iii) e-mail at [investorrelations@cbre.com](mailto:investorrelations@cbre.com).

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**PROXY SUMMARY INFORMATION**

In fiscal year 2017, we delivered strong results:

Our revenue totaled \$14.2 billion, up 9% from 2016.

Our fee revenue totaled \$9.4 billion, up 8% from 2016.<sup>(2)(3)</sup>

On a GAAP basis, net income for 2017 increased 21% to \$691.5 million and earnings per diluted share rose 20% to \$2.03 per share.

Our adjusted net income was \$924.5 million, up 19% from 2016.<sup>(3)</sup>

Our adjusted earnings per share ( adjusted EPS ) was \$2.71, up 18% from 2016.

Our adjusted earnings before interest, taxes, depreciation and amortization ( adjusted EBITDA ) was \$1.7 billion, up 10% from 2016.<sup>(3)</sup>

Our revenue mix has shifted in recent years toward more contractual revenue as occupiers and investors increasingly prefer to purchase integrated, account-based services from firms that meet the full spectrum of their needs nationally and globally.

We generated revenue from a highly-diversified base of clients. In 2017, our client roster included over 90 of the *Fortune 100* companies.

We executed a highly targeted M&A strategy, closing 11 acquisitions in 2017 that enhanced our capabilities, including companies operating in investment management, project management, retail experience advisory services, occupier brokerage focused on major technology companies, as well as two real estate software as a service companies.

We added significantly to our talent base, with one of our best years for producer recruiting, and strengthened the leadership team that is responsible for driving our continued growth.

We have been voted the most recognized commercial real estate brand in a *Lipsey Company* survey for 17 years in a row (including 2018) and we have been rated a World's Most Ethical Company by the *Ethisphere Institute* for five consecutive years (including 2018).

We ended 2017 in a very strong financial position with low leverage, high liquidity and considerable cash flow.

The following charts highlight our growth in adjusted EBITDA, adjusted net income and adjusted EPS for 2017 relative to 2016:

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

(3) These are non-GAAP financial measures. For supplemental financial data and a corresponding reconciliation of (i) revenue computed in accordance with GAAP to fee revenue, (ii) net income computed in accordance with GAAP to adjusted 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, 2017 and 2016, see Annex A to this Proxy Statement. We also refer to adjusted EBITDA, adjusted net income and adjusted EPS from time to time in our public reporting as EBITDA, as adjusted, net income attributable to CBRE Group, Inc., as adjusted and diluted income per share attributable to CBRE Group, Inc. shareholders, as adjusted, respectively. As described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, our Board and management use non-GAAP financial measures to evaluate our performance and manage our operations. However, non-GAAP financial measures should be viewed in addition to, and not as an alternative for, financial results prepared in accordance with GAAP. The term GAAP, as used in this Proxy Statement, means generally accepted accounting principles in the United States.

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**PROXY SUMMARY INFORMATION**

**Our Corporate Strategy**

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

occupiers   growing acceptance of the outsourcing of real estate services;

investors   increasing allocation of capital to commercial real estate, and

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

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

We have a clear strategy to capitalize on the inherent opportunities within our sector. Our strategy is focused on delivering consistently superior client outcomes that other firms cannot replicate. This strategy is underpinned by six key elements:

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

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

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

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

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

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

## Corporate Governance Highlights

### Board Independence

Independent director nominees	9 out of 10
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Independent Chair of the Board	Ray Wirta*
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### Director Elections

Frequency of Board elections	Annual
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Voting standard for uncontested elections	Majority Requirement
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Director term limits	12 Years <sup>(4)</sup>
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Limit on number of Board-nominated executive officers	Maximum 1
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Proxy access for director nominations	Yes
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**Evaluating and Improving Board Performance**

Board evaluations Annual

Committee evaluations Annual

**Aligning Director and Executive Interests with Stockholder Interests**

Director stock ownership requirements Yes

Executive officer stock ownership requirements Yes

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

Compensation clawback policy for executive officers Yes

Ongoing stockholder outreach and engagement Yes

*\*Mr. Wirta is our current Board Chair. Our Board has appointed Mr. Boze to succeed Mr. Wirta as the Independent Chair of our Board, effective following the Annual Meeting, assuming Mr. Boze is re-elected at such meeting by*

*our stockholders.*

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

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

Name	Age	Director		Principal Occupation	Other Public	
		Since			Committees	Company Boards
Brandon B. Boze*	37	2012		Partner of Value Act Capital	CC, GC	0
Beth F. Cobert*	59	2017		Chief Executive Officer of Skillful	CC, GC	0
Curtis F. Feeny*	60	2006		Managing Director of Silicon Valley Data Capital	AC, GC, EC	0
Christopher T. Jenny*	62	2016		Senior Advisor to Parthenon-EY	AC, GC	0
Gerardo I. Lopez*	58	2015		Former President and Chief Executive Officer of Extended Stay America, Inc.	CC, GC	1
Paula R. Reynolds*	61	2016		President and Chief Executive Officer of PreferWest, LLC	AC, CC	3



Robert E. Sulentic	61	2012	President and Chief Executive Officer of CBRE	EC	0
Laura D. Tyson*	70	2010	Distinguished Professor of the Graduate School, Haas School of Business, University of California, Berkeley	AC	1
Ray Wirta*	74	2001	Chief Executive Officer of The Koll Company and President of the Irvine Company	EC	0

Sanjiv Yajnik\*      61