

GOVERNANCE STATEMENT FOR CBRE GWS Limited
[to be included in the Directors' Report within the 2019 statutory financial statements]

CBRE GWS Limited (the "Company") Corporate Governance practices

The corporate governance practices of the Company strengthen Directors' oversight of management and serving of the long-term interests of the Company's shareholders, employees, suppliers and other stakeholders. The Directors are committed to ensuring that high standards of corporate governance, culture and stakeholder engagement are in place and consistently applied throughout the Company.

The corporate governance practices adopted by the Company's ultimate parent, CBRE Group Inc. (listed on the New York Stock Exchange) also applied to the Company and the wider Group during the financial year ended 31 December 2019. These practices reflect the requirements of applicable securities law, including the Sarbanes-Oxley Act, the New York Stock Exchange listing requirements and the Group's own vision of good governance practices. CBRE's corporate governance guidelines and associated governance documents can be found at <https://ir.cbre.com/corporate-governance/default.aspx>

Application of the Wates Corporate Governance Principles

The Wates Corporate Governance Principles for large private companies provide a framework for the Company to demonstrate how the Board makes decisions for the long-term success of the company and its stakeholders and how the Board ensures the Company's compliance with the requirements of Section 172 of the Companies Act 2006. Our reporting against the Wates Principles is included below. Throughout 2020, the Board will continue to review and challenge how the Company can improve engagement with, and reporting on, its employees and other stakeholders.

Corporate Governance Report

For the year ended 31 December 2019, under the Regulations, the Company has applied the Wates Corporate Governance Principles for Large Private Companies (as published by the Financial Reporting Council in December 2018). Our application of each principle is outlined below.

Principle 1 – Purpose and Leadership

Purpose CBRE GWS delivers industry-leading facilities management, project management, transaction and portfolio, and consulting services that drive bottom-line impact and streamlined workplaces across all asset types. The Board ensures that the company operates with a clear sense of purpose and collective vision.

Values CBRE believes that the way we do business is as important as what we do. Our Employee Advantage strategy has been developed to reinforce the high standards we set for ourselves as we continue on the journey to become a world-class business. Our RISE values (Respect, Integrity, Service, Excellence) support the global principle that everyone is empowered and expected to do better – every day, and to deliver tangible advantage to everything that we do.

The Company adheres to the CBRE Group-wide Standards of Business Conduct to ensure that it conducts business with the highest integrity and compliance with the letter and spirit of the law. The Group is ethically-

led and is committed to operating its business with the interests of the Group's employees and wider stakeholders in mind.

Strategy The Company's strategy forms part of the wider CBRE GWS EMEA strategy. Consideration of, and monitoring of performance against, the strategy is undertaken by the Board and UK-wide Executive forums, as well as the wider GWS Global Business Unit Leaders' conference. Consideration is given to the impact of the company's operations on various stakeholder groups.

Principle 2 – Board Composition

The Board is chaired by the CBRE GWS EMEA/APAC CEO, and composed of senior Executives from within CBRE GWS. The Board is currently considering the need for independent non-executive directors, in view of the nature and extent of business activity and need for independent oversight.

Diversity, equality and gender parity are global business priorities at CBRE. We have been actively working to improve diversity at every level of our business and across the wider property industry for many years. We have made progress in female representation at the top level of our organisation but recognise that there are areas of our business where progress is slower than we aspire to particularly at senior level and we are increasing our focus on improvements. We remain committed to understanding more about this issue, investing in more measures to address it and accelerating the pace of change.

CBRE UK's directors keep their knowledge, skills and familiarity with the business current and up-to-date by engaging with senior management, attending appropriate external seminars, and internal and external training courses. A detailed directors' induction programme has been developed and this will now form part of the onboarding process for all directors of the Company.

Principle 3 – Director Responsibilities

Given the diverse nature of the businesses within the CBRE UK Group, Board Director appointments have been made with care and to ensure that the Board as a whole includes the right level of skills and experience to address the needs of the business. The Board is focused on improving operational governance and this ongoing activity is assisted by the Governance team.

The Board delegates certain decision-making powers to individuals, in line with the Articles of Association and the Group-wide Delegated Authority Matrix, which sets out the authority level of every Manager and Executive in the Company. This gives every Director a clear understanding of their accountability and responsibilities. During 2020, we will build on this to formalise and codify specific matters reserved to the Board as part of an ongoing effort to improve the governance framework applicable to the UK Group.

All senior managers (including Directors) of CBRE must confirm that they are compliant with the Standards of Business Conduct.

The Board receives regular reports from Management at its meetings, reviews the information provided and provides appropriate challenge. The data provided to the Board is continuously reviewed and enhanced where necessary to ensure that the right focus is applied to performance against strategy. Key financial information is collated from CBRE's various accounting systems. The CBRE Finance function is

appropriately qualified to ensure the integrity of this information and is provided with the necessary training to stay abreast of regulatory changes. Financial information is audited by KPMG annually.

Principle 4 – Opportunity and Risk

The Board seeks out opportunity whilst mitigating risk and is responsible for strategic decision-making and risk management. It promotes the success of the company by identifying opportunities to create and preserve value.

Reports to the Board and Business Group Reviews (new governance bodies established to receive reports from business unit Presidents on all aspects of their business) include identification of risks to the business. Risk mitigation is also considered as part of the strategy-setting process. Risks are regularly monitored by Directors and the assessment of risk by each business line is reviewed by the Board to ensure that the most profitable and sustainable business opportunities are pursued.

The main financial risks faced by the business are credit risk and cash pooling, and the Group has policies in place to mitigate these risks.

Management consider that the key risk to the success of the business would be an accident or incident on one of our client sites, this is mitigated by robust Quality, Health, Safety and Environmental policies and procedures, as well a Group insurance policy.

Principle 5 – Remuneration

The CBRE UK Group operates within a Group-wide Executive Compensation Programme. A succession planning programme builds skills and experience amongst Management and provides a pipeline of talent to fulfil Executive and Director roles. Where necessary, Executive roles are filled following external search.

The Executive Compensation Programme as applicable to the Company's directors, uses a combination of:

- Base pay;
- Incentive programmes linked to financial and strategic performance objectives;
- Equity awards; and,
- Deferred Cash Long-Term Incentive Plan arrangements,

depending on the individual role. Financial objectives may be at the global (CBRE Group) level or based on a combination of global and segment or business line performance, depending on the executive's position.

Following year-end, performance relative to these objectives is measured, and individual annual performance awards determined and approved by management according to the overall CBRE Group Approval Matrix.

Key factors that may be considered in any given year include overall industry, market conditions and financial performance (at global, segment, and business line level), achievement of strategic objectives and the target operating plan, individual performance factors, benchmarked market compensation data, and current and evolving practice among comparable companies.

These factors are reviewed and may vary from year to year, based upon the management's subjective business judgment.

The objective of the Executive Compensation Programme is to attract and retain talented and experienced executives: accordingly, compensation is set at a level competitive with the market.

Principle 6 – Stakeholders

As a business providing a range of outsourced services to its clients, CBRE GWS recognises the impact its operations have on a wide range of stakeholders, particularly its employees, customers and suppliers.

Stakeholder engagement is embedded at all levels of the organisation with clear direction from the Board and senior Management.

The CBRE Group's RISE values (Respect, Integrity, Service, and Excellence) reflect consideration of the wide community of stakeholders.

The Section 172(1) statement within the Strategic Report provides details of how the Company engaged with stakeholders including employees, suppliers, clients, and the community, and outlines plans to enhance stakeholder engagement and feedback channels through 2020.