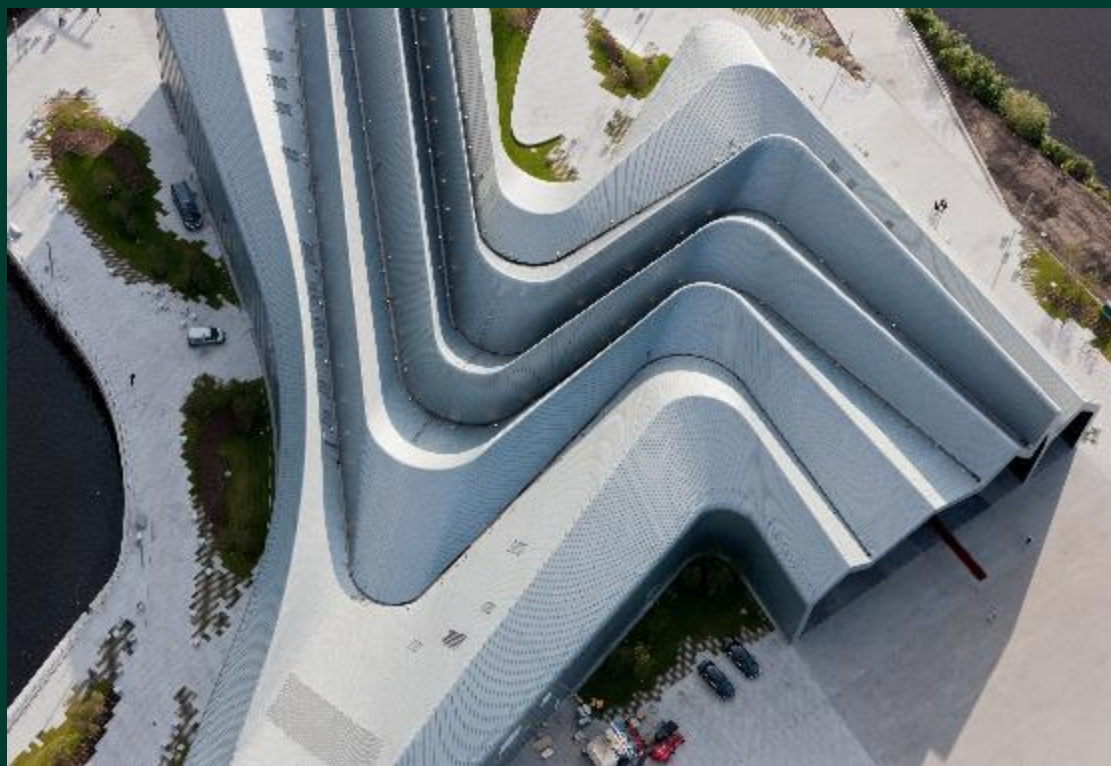


CBRE PMUK Banking Charter



DATE 13th April 2022

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1. Bank

- 1.1. The Banking Charter applies to all Client Monies that are held with Lloyds Banking Group (LBG) at 10 Gresham Street London EC2V 7AE Sort code 30-40-65.
- 1.2. Monies belonging to CBRE Ltd (i.e. monies that are not client monies) are not held with LBG, thereby ensuring a complete separation of funds.
- 1.3. Client monies held with LBG are managed using the LBG Cashfac banking solution.
- 1.4. All bank accounts are current accounts. If requested, client balances will earn interest based on Lloyds Banking Group instant access rates, with the exception of tenant deposit accounts which will earn interest in accordance with the tenant deposit deed. No banking charges incurred on the operation of client monies are passed to clients.
- 1.5. The banking structure operated by CBRE Ltd provides full compliance with both the RICS Members' Accounts rules and the Financial Conduct Authority (FCA) regulations.

2. Bank Account Summary

There are four principal types of bank account which are involved in the holding of client monies:

- 2.1. Client Accounts
- 2.2. Common Receipts Account
- 2.3. Common Payments Account
- 2.4. Payments to Client Account

A diagram showing our banking structure and flow of funds is documented in Appendix A.

3. Detail of Bank Accounts

3.1. Client Accounts

All client monies are held in a Trust Account, as is required under FSA regulations. LBG has acknowledged to CBRE Ltd in writing that:

- (i) All money standing to the credit of the account is held by CBRE Ltd as trustee and that the bank is not entitled to combine the account with any other account or to exercise any right of set-off or counterclaim against money in that account in respect of any sum owed to it on any other account of CBRE Ltd; and
- (ii) That the title of the account sufficiently distinguishes that account from any account containing money that belongs to CBRE Ltd, and is in the form requested by CBRE Ltd.

3.1.1. The LBG Cashfac banking solution segregates these client monies into separate client sub accounts.

3.1.2. Each client can have as many sub accounts as is required.

3.1.3. The balance of money held in respect of each individual client is recorded separately, both within Cashfac and within the client ledger of CBRE Ltd. A separate cashbook record is maintained within the accounting system in respect of each individual sub account held by every client.

3.1.4. Separate bank statements are produced in respect of each individual sub account held by every client.

3.1.5. Client account balances on Cashfac are checked daily against the cashbook accounting records and any discrepancies are investigated and corrected immediately.

3.1.6. Bank reconciliations for each client sub account are completed monthly to ensure compliance with the RICS Members' Accounts rules. Client account reconciliations are all reviewed by management.

3.2. Common Receipts Account

3.2.1. The Common Receipts Account is a current account.

3.2.2. All receipts are paid into the Common Receipts Account.

3.2.3. The purpose of the Common Receipts Account is to centralise receipt processing thereby providing more efficiency and most importantly better control.

3.2.4. Monies received into the Common Receipts Account are a mixture of electronic receipts (CHAPS/BACS/Standing Order) that are received direct into this account, and cheques received by CBRE Ltd on behalf of clients. All cheques received are banked the same working day (banking deadlines permitting).

3.2.5. All client monies received on Day One are identified and posted to the accounting system. All client monies are then transferred into Client Accounts on Day Two, including cheque receipts. Therefore the balance held in the Common Receipts Account should only comprise those amounts received that day.

3.2.6. The Common Receipts Account is reconciled on a daily basis to ensure that all monies received are posted to the accounting system, therefore ensuring all physical cash received is posted against the client ledger. Any discrepancies are investigated and resolved immediately.

3.3. Common Payments Account

3.3.1. The Common Payments Account is a current account.

3.3.2. All payments by cheque or BACS are paid from the Common Payments Account. Typically these comprise payments to suppliers, but may also include tenant refunds. Rental remittances to clients paid by CHAPS are paid out of the separate Payments to Client Account (3.4).

3.3.3. In order to fund these payments, monies are transferred from Client Accounts into the Common Payments Account after the completion of an automatic cheque run or BACS payment run.

3.3.4. The Common Payments Account is reconciled on a daily basis to ensure that the cash balance held matches the value of all outstanding payments. Any discrepancies are investigated and resolved immediately.

3.4. Payments to Client Account

- 3.4.1. The Payments to Client Account is a current account.
- 3.4.2. All payments made to clients by CHAPS, typically comprising rental receipts, are paid from this account.
- 3.4.3. A payment to a client can be processed as soon as the funds received are transferred into the Client Account on Day Two. These monies will then be transferred into the Payments to Client Account.
- 3.4.4. To minimise the possibility of an individual Client Account going overdrawn, and to ensure compliance under the new FSA regulatory environment and our existing compliance with the RICS Members' Accounts rules, only cleared receipts can be transferred when making payments to clients.
- 3.4.5. Those amounts received electronically (CHAPS/BACS/Standing Order) are available for transfer to clients immediately after receipt into their Client Account, i.e. Day Two.
- 3.4.6. Those amounts received by cheque will be transferred to clients after 4 working days, i.e. Day Five.
- 3.4.7. Transfers to clients are typically processed daily, or every other working day, around the busy quarter day periods. Outside of the quarter day periods, transfers are typically processed weekly.
- 3.4.8. Clients receive CHAPS payments into their own bank account on the same day that they are actioned and monies transferred by CHAPS are cleared for interest purposes, in the hands of the client, on the day of receipt.
- 3.4.9. The Payments to Client Account is reconciled on a daily basis to ensure that the cash balance held matches the value of all outstanding CHAPS payments. Any discrepancies are investigated and resolved immediately.

4. Control Over Client Money Environment

4.1. The most important control that is operated in the Client Money Environment is the reconciliation between the cashbook and the bank account.

4.2. These reconciliations are carried out with the following frequency:

Common Receipts Account	Daily
Common Payments Account	Daily
Payments to Client Account	Daily
Client Sub Accounts	Monthly/Daily Exceptions Report

4.3. All bank reconciliations are reviewed by management.

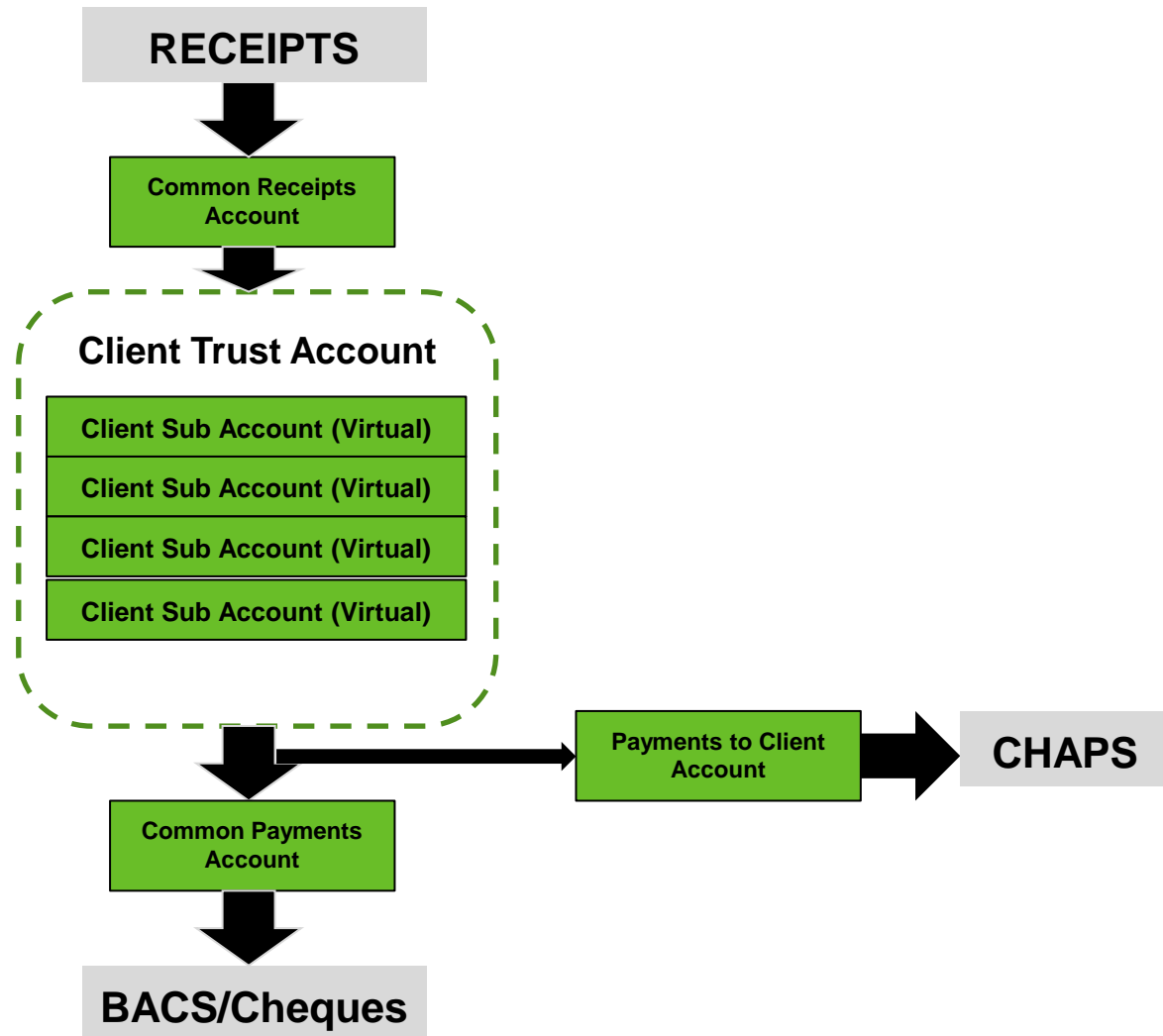
4.4. An additional control is operated on a daily basis whereby the Client account balances on LBG Cashfac are reconciled against the cashbook accounting records. Any discrepancies are investigated and corrected immediately.

4.5. Within the Client Money environment, monies can only be transferred in accordance with strict banking rules that clearly designate the permitted flow of client monies.

4.6. Cheque payments and manual CHAPS payments can only be made in accordance with the CBRE Ltd bank mandate held by LBG and this mandate is operated in compliance with the RICS Members' Accounts rules.

4.7. Automated CHAPS payments from the Payments to Client Account can be made to designated Client Bank Accounts. Designated Client Bank Accounts will only be recognised by CBRE LTD upon receipt of appropriate documentation on Clients' letter headed paper. All automated CHAPS payments must be approved by an individual on the bank mandate.

4.8. BACS payments made from the Common Payments Account, typically to suppliers, can only be made to designated bank accounts. These will only be recognised by CBRE Ltd upon receipt of appropriate documentation. All BACS payments must be approved by an individual on the bank mandate.



5. CBRE Signatories

Bank Mandate

All changes to internet banking systems must be signed by 2 signatories as follows:

Any Panel A signatories – no limit

All cheques must be signed by 2 signatories as follows:

Any Panel A signatories – no limit

Any Panel B signatories – up to £5,000

Payment Approvals

All Payovers must be signed by 2 signatories as follows :

Any Panel B signatories – up to £99,999.99 on a single payments

Any Panel A signatories – no limit - transmits collated payments file through banking platform

BACS Payment Run Approvals

1 = signs to agree that file picked up by pay base equals file created on Host System – value and number of payments plus other control checks as specified on BACS control sheet

2 = transmits pay base file to BACS clearing system

<u>Location</u>	<u>Position</u>	<u>Name</u>	<u>Bank Mandate</u>	<u>Payment Approval</u>	<u>BACS Approval</u>
Glasgow	Senior Director	Jacqui McCulloch	A	A	2
Glasgow	Senior Director	Paul McKie	A	A	2
Glasgow	Director	David Moir	A	A	2
Glasgow	Director	Siobhan Flisch	A	A	2
Glasgow	Director	Amanda Anderson	A	A	2
Glasgow	Director	Jo Stronach	B	B	1
Glasgow	Director	Kirstin Callaghan		A	2
Glasgow	Associate Director	Fiona Gray	B	B	1
Glasgow	Manager	Jennifer Docherty	B	B	1
Glasgow	Manager	David Gregory	B	B	1
Glasgow	Associate Director	Jo Martin		A	2
Glasgow	Associate Director	Marie Gilmour		A	2
Glasgow	Associate Director	Charlene Peacock		A	2
Glasgow	Associate Director	Stacey Wright		A	2
Glasgow	Associate Director	Jason Connell		A	2
Glasgow	Associate Director	Martin Timoney		A	2
Glasgow	Associate Director	Tracy Redmond		A	2
London	Associate Director	April Oliver		B	1
Glasgow	Associate Director	Andrew Burley		B	1
Glasgow	Manager	Marta Zuchowska		B	1
Glasgow	Manager	Nadiyah Sarwar		B	1
Glasgow	Manager	Gary Docherty		B	1
Glasgow	Team Leader	Ashley Kershaw		B	1
Glasgow	Team Leader	Jennifer Wilson		B	1

6. Income Allocation (Client Money Handling)

CBRE will endeavour to ensure that all avenues to investigate and allocate income have been completed on a timely manner and are in compliance with the RICS Client Money Handling Rules

These steps include;

- Search functions on all host systems for Tenant, Property, Client, and Supplier
- Remittance matching and email requests to Tenant Client and Suppliers for information
- Bank systems search's for additional income narratives
- Internal escalation to all CBRE departments
- Internet search

On occasions where no true allocation or owner can be found we will move funds to a holding account for further investigation and once all avenues for allocation have been exhausted we will return to the payers account after 3 months

7. RICS Regulations

7. Any client funds that cannot be returned after 3 months are then handled in line with the RICS Regulation Client Money Handling rules which is specified as per below

Donations to charity

If your firm has any surplus client money in a client account, best practice is to:

- ensure that all efforts are made to trace the clients or owners of the money
- hold the surplus money in a client suspense account
- hold surplus money for at least three years.

If, after three years, the client or owner of the money has not been found and no true claimants to the money have come forward, it must be donated to a registered charity. A receipt must be obtained for this transaction so should a true claimant come forward to collect the money it can be made available to them. The receiving charity should offer the donating firm an indemnity to enable the firm to recover a donation in the event of a claim.