

PITNEY BOWES INC /DE/
Form DEF 14A
March 24, 2017

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934**

Filed by Registrant

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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
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Pitney Bowes Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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**Notice of the 2017
Annual Meeting and
Proxy Statement**

To the Stockholders:

We will hold our 2017 annual meeting of stockholders at 9:00 a.m. on Monday, May 8, 2017 at the Hyatt Regency Hotel, 1800 East Putnam Avenue, Old Greenwich, Connecticut 06870. The Notice of Meeting and Proxy Statement and accompanying proxy card describe in detail the matters to be acted upon at the meeting.

It is important that your shares be represented at the meeting. Whether or not you plan to attend, please submit a proxy through one of the three convenient methods described in this proxy statement in order for your shares to be voted at the meeting. Your vote is important so please act at your first opportunity.

We have elected to furnish proxy materials and the Annual Report to Stockholders, including the Report on Form 10-K for the year ended December 31, 2016, to many of our stockholders via the Internet pursuant to Securities and Exchange Commission rules. We urge you to review those materials as well as our proxy statement for information on our financial results and business operations over the past year. The Internet availability of our proxy materials affords us an opportunity to reduce costs while providing stockholders the information they need. On or about March 24, 2017, we started mailing to many of our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and annual report and how to submit a proxy online along with instructions on how to receive a printed copy of the proxy statement and annual report. We provided a copy of the annual meeting materials to all other stockholders by mail or through electronic delivery.

If you receive your annual meeting materials by mail, the Notice of Meeting and Proxy Statement, Annual Report to Stockholders, including the Report on Form 10-K for the year ended December 31, 2016 and proxy card are enclosed. Whether or not you plan to attend the annual meeting in person, please mark, sign, date and return your proxy card in the enclosed prepaid envelope, or submit your proxy via telephone or the Internet, as soon as possible in order for your shares to be voted at the meeting. If you decide to attend the annual meeting and wish to change your vote, you may do so by submitting a later dated proxy or by voting in person at the annual meeting. If you received your annual meeting materials via e-mail, the e-mail contains voting instructions and links to the proxy statement and annual report on the Internet, which are also available at www.proxyvote.com.

We look forward to seeing you at the meeting.

Michael I. Roth
Non-Executive Chairman of the Board

Stamford, Connecticut
March 24, 2017

Notice of Meeting:

Annual Meeting Information

Time and Date: **Monday, May 8, 2017 at 9:00 a.m.**

Place: Hyatt Regency Hotel, 1800 East Putnam Avenue, Old Greenwich, Connecticut 06870

Requirements for Attending the Meeting: Admission ticket, which is attached to your proxy card, or Notice of Internet Availability of Proxy Materials, together with a form of valid, government-issued photo identification, such as a driver's license. If your shares are held in the name of a bank, broker or nominee, you must present proof of your ownership as of the record date (such as bank or brokerage account statement).

Record Date: March 10, 2017

Voting: Registered stockholders as of the record date (March 10, 2017) are entitled to submit proxies by Internet at www.proxyvote.com; telephone at 1-800-690-6903; or completing your proxy card; or you may vote in person at the annual meeting. If you hold your shares through a broker, bank, trustee or other nominee, you are a beneficial owner and should refer to instructions provided by that entity on voting methods.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be held on May 8, 2017:

Pitney Bowes' 2017 Proxy Statement and Annual Report to Stockholders, including the Report on Form 10-K for the year ended December 31, 2016, are available at www.proxyvote.com.

The items of business at the annual meeting are:

1. Election of 11 directors named in the proxy statement.
2. Ratification of the Audit Committee's Appointment of the Independent Accountants for 2017.
3. Non-binding Advisory Vote to Approve Executive Compensation.
4. Non-binding Advisory Vote on the Frequency of Future Advisory Votes to Approve Executive Compensation.

Stockholders also will act on such other matters as may properly come before the meeting, including any adjournment or postponement of the meeting.

March 10, 2017 is the record date for the meeting.

This proxy statement and accompanying proxy card are first being distributed or made available via the Internet beginning on or about March 24, 2017.

Daniel J. Goldstein

Executive Vice President, Chief Legal Officer & Corporate Secretary

NOTICE: Your vote is important. Brokers are not permitted to vote on any proposals to be considered at the meeting except on proposal 2, ratification of the Audit Committee's appointment of the Independent Accountants for 2017, without instructions from the beneficial owner. Therefore, if your shares are held through a broker, please instruct your broker, bank or other nominee on how to vote your shares. For your vote to be counted with respect to proposals 1, 3 or 4, you will need to communicate your voting decisions to your broker, bank, financial institution or other nominee.

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PROXY SUMMARY

Meeting Agenda Items

Proposal 1: Election of Directors

You are being asked to elect eleven directors, which constitute the entire board. Each of the director nominees is standing for election to a one-year term ending at the next annual meeting of stockholders in 2018 and until his or her successor has been duly elected and qualified.

All current directors attended at least 75% of the meetings of the board and board committees on which they served in 2016.

The board of directors recommends that stockholders vote FOR the election of all the director nominees.

Proposal 2: Ratification of the Audit Committee's Appointment of the Independent Accountants for 2017

The board is asking stockholders to ratify the selection of PricewaterhouseCoopers LLP as our independent accountants for 2017.

The board of directors recommends that stockholders vote FOR the ratification of PricewaterhouseCoopers LLP as our independent accountants for 2017.

Proposal 3: Non-binding Advisory Vote to Approve Executive Compensation

The board is asking stockholders to approve, on a non-binding advisory basis, the compensation of the named executive officers as disclosed in this proxy statement. The board has determined to hold this advisory vote on an annual basis. The next advisory vote is expected to take place at the 2018 annual meeting of stockholders.

The board of directors recommends that stockholders vote FOR the approval of executive compensation on an advisory basis.

Proposal 4: Non-binding Advisory Vote on the Frequency of Future Advisory Votes to Approve Executive Compensation

The board is asking stockholders to approve, on an advisory basis, that the advisory vote to approve executive compensation occurs every year.

The board of directors recommends that stockholders vote to conduct future advisory votes to approve executive compensation EVERY YEAR.

Annual Meeting Information

The Annual Meeting and Voting

Our board of directors is soliciting proxies to be used at the annual meeting of stockholders to be held on May 8, 2017, at 9:00 a.m. at the Hyatt Regency Hotel, 1800 East Putnam Avenue, Old Greenwich, Connecticut 06870, and at any adjournment or postponement of the meeting. This proxy statement contains information about the items being voted on at the annual meeting.

Annual Meeting Admission

An admission ticket, which is required for entry into the annual meeting, is attached to your proxy card if you hold shares directly in your name as a registered stockholder. If you plan to attend the annual meeting, please submit your proxy but keep the admission ticket and bring it to the annual meeting.

If your shares are held in the name of a bank, broker or nominee and you plan to attend the meeting, you must present proof of your ownership of Pitney Bowes stock as of the record date (such as a bank or brokerage account statement) to be admitted to the meeting.

If you have received a Notice of Internet Availability of Proxy Materials (a "Notice"), your Notice is your admission ticket. If you plan to attend the annual meeting, please submit your proxy, but keep the Notice and bring it to the annual meeting.

Stockholders also must present a form of photo identification, such as a driver's license, in order to be admitted to the annual meeting. **No cameras, recording equipment, large bags, or packages will be permitted in the annual meeting. Many cellular phones have built-in cameras, and, while these phones may be brought into the annual meeting, the camera function may not be used at any time.**

Each stockholder may appoint only one proxy holder or representative to attend the meeting on his, her or its behalf.

Outstanding Shares and Vote Entitlement

Each share of Pitney Bowes common stock has one vote. In addition, we have two classes of preferred stock issued and outstanding: the 4% Preferred Stock and the \$2.12 Preference Stock. The 4% Preferred Stock can be converted into 24.24 shares of common stock in certain events but does not carry any voting rights. As of March 10, 2017 (the record date), there were 12 shares of the 4% Preference Stock outstanding. The \$2.12 Preference Stock can be converted into 16.53 shares of common stock in certain events and each share of the \$2.12 Preference Stock carries with it 16.53 votes. Record holders of the common stock and the preference stock at the close of business on the record date of March 10, 2017 can vote at the meeting. As of the record date, 186,280,109 shares of common stock, and 17,645 shares of the \$2.12 Preference Stock were issued and outstanding.

How do I vote?

If you are a registered stockholder which means you hold shares in your name, you may choose one of three methods to submit your proxy to have your shares voted:

- you may submit your proxy on-line via the Internet by accessing the following website and following the instructions provided: www.proxyvote.com;
- you may submit your proxy by telephone (1-800-690-6903); or
- if you received your annual meeting material by mail, you also may choose to grant your proxy by completing and mailing the proxy card.

Alternatively, you may attend the meeting and vote in person.

If you hold your shares through a broker, bank, trustee or other nominee, you are a beneficial owner and should refer to instructions provided by that entity on voting methods. Please note that if you are a beneficial owner and you wish to vote in person at the meeting, you must first obtain a legal proxy issued in your name from the broker, bank, trustee or other nominee that holds your shares.

May I revoke my proxy or change my vote?

If you are a registered stockholder, you may revoke your proxy or change your vote at any time before your proxy is voted at the meeting by any of the following methods:

- you may send in a revised proxy dated later than the first proxy;
- you may vote in person at the meeting; or
- you may notify the corporate secretary in writing prior to the meeting that you have revoked your proxy.

Attendance at the meeting alone will not revoke your proxy.

If you hold your shares through a broker, bank, trustee or other nominee, you are a beneficial owner and should refer to instructions provided by that entity on how to revoke your proxy or change your vote.

What constitutes a quorum?

The holders of shares representing a majority of the votes entitled to be cast at the annual meeting constitutes a quorum. If you submit your proxy by Internet, telephone or proxy card, you will be considered part of the quorum. Abstentions and broker non-votes are included in the count to determine a quorum.

What vote is required for a proposal to pass?

If a quorum is present, director candidates receiving the affirmative vote of a majority of votes cast will be elected. Proposals 2, 3 and 4 will be approved if a quorum is present and a majority of the votes cast by the stockholders are voted for the proposal.

GENERAL INFORMATION

How are votes counted?

Your broker is not permitted to vote on your behalf on any proposals to be considered at the meeting except on proposal 2, the ratification of the selection of PricewaterhouseCoopers LLP as independent accountants for 2017, unless you provide specific instructions by completing and returning the voting instruction form or following the instructions provided to you to vote your stock via telephone or the Internet. If you do not own your shares of record, for your vote to be counted with respect to proposals 1, 3 or 4, you will need to communicate your voting decisions to your broker, bank, financial institution or other nominee.

Under New York Stock Exchange rules, if your broker holds your shares in its “street” name, the broker may vote your shares in its discretion on proposal 2 if it does not receive instructions from you.

If your broker **does not** have discretionary voting authority and you do not provide voting instructions, or if you abstain on one or more agenda items, the effect would be as follows:

Proposal 1: Election of Directors

Broker non-votes and abstentions would not be votes cast and therefore would not be counted either for or against. As a result, broker non-votes and abstentions will have no effect in the election of directors.

Proposal 2: Ratification of Audit Committee’s Appointment of the Independent Accountants for 2016

If you choose to abstain in the ratification of the Audit Committee’s selection of the independent accountants for 2017, the abstention will have no effect on the ratification of the Audit Committee’s selection of the independent accountants for 2017.

Proposal 3: Non-binding Advisory Vote to Approve Executive Compensation

The vote to approve executive compensation is an advisory vote and the results will not be binding on the board of directors or the Company. The board of directors will review the results and take them into consideration when making future decisions regarding executive compensation. Broker non-votes and abstentions would not be votes cast and therefore would not be counted either for or against. As a result, broker non-votes and abstentions will have no effect on the advisory vote to approve executive compensation.

Proposal 4: Non-binding Advisory Vote on the Frequency of Future Advisory Votes to Approve Executive Compensation

The vote on the frequency of the vote to approve executive compensation is an advisory vote and the results will not be binding on the board of directors or the Company. The board of directors will review the results and take them into consideration when making future decisions regarding executive compensation. Broker non-votes and abstentions would not be votes cast and therefore would not be counted either for or against. As a result, broker non-votes and abstentions would have no effect on this proposal.

How do Dividend Reinvestment Plan participants or employees with shares in the 401(k) plans vote by proxy?

If you are a registered stockholder and participate in our Dividend Reinvestment Plan, or our employee 401(k) plans, your proxy includes the number of shares acquired through the Dividend Reinvestment Plan and/or credited to your 401(k) plan account.

Shares held in our 401(k) plans are voted by the plan trustee in accordance with voting instructions received from plan participants. The plans direct the trustee to vote shares for which no instructions are received in the same proportion (for, against or abstain) indicated by the voting instructions given by participants in the plans.

Who will count the votes?

Broadridge Financial Solutions, Inc. (Broadridge) will tabulate the votes and act as Inspector of Election.

Want more copies of the proxy statement? Getting too many copies?

Only one Notice or, if paper copies are requested, only one proxy statement and annual report to stockholders including the report on Form 10-K are delivered to multiple stockholders sharing an address unless one or more of the stockholders give us contrary instructions. You may request to receive a separate copy of these materials, either now or in the future, and we will promptly deliver the requested materials.

Similarly, any stockholder currently sharing an address with another stockholder but nonetheless receiving separate copies of the materials may request delivery of a single copy in the future.

Requests can be made to:

Broadridge Householding Department by phone at 1-866-540-7095 or by mail to:

Broadridge Householding Department
51 Mercedes Way
Edgewood, New York 11717.

If you own shares of stock through a bank, broker, trustee or other nominee and receive more than one copy of the materials, please contact that entity to eliminate duplicate mailings.

Additional copies of our annual report to stockholders, including the report on Form 10-K or the proxy statement will be sent to stockholders free of charge upon written request to:

**Investor Relations, Pitney Bowes Inc.
3001 Summer Street
Stamford, CT 06926-0700.**

Want Electronic Delivery of the Annual Report and Proxy Statement?

We want to communicate with you in the way you prefer. You may receive:

GENERAL INFORMATION

- a Notice of Internet Availability of Proxy Materials or a full set of printed materials, including the proxy statement, annual report and proxy card; or
- an email with instructions for how to view the annual meeting materials and vote online.

If you received the Notice of Internet Availability of Proxy Materials or a full set of annual meeting materials by mail, you may choose to receive future annual meeting materials electronically by following the instructions when you vote online or by telephone. With electronic delivery, you will receive an e-mail for future meetings listing the website locations of these documents and your choice to receive annual meeting materials electronically will remain in effect until you notify us that you wish to resume mail delivery of these documents. If you hold your Pitney Bowes stock through a bank, broker, trustee or other nominee, you should refer to the information provided by that entity for instructions on how to elect this option. This proxy statement and our 2016 annual report may be viewed online at www.proxyvote.com.

Stockholder Proposals and Other Business for the 2018 Annual Meeting

If a stockholder wants to submit a proposal for inclusion in our proxy material for the 2018 annual meeting, which is scheduled to be held on Monday, May 7, 2018, it must be received by the Corporate Secretary by the close of business on November 24, 2017. Also, under our By-laws, a stockholder can present other business

at an annual meeting, including the nomination of candidates for director, only if written notice of the business or candidates is received by the Corporate Secretary no earlier than the close of business on January 8, 2018 and no later than the close of business on February 7, 2018. However, in the event that the date of the 2018 annual meeting is more than 30 days before or more than 60 days after the anniversary of our 2017 annual meeting, then the stockholder's notice must be delivered no earlier than the close of business on the 120th day prior to the meeting and no later than the close of business on the later of the 90th day prior to the meeting or, if the first public announcement of the date of the annual meeting is less than 100 days prior to the date of such meeting, the 10th day after the first public announcement of the meeting date. There are other procedural requirements in the By-laws pertaining to stockholder proposals and director nominations. The By-laws are posted on our Corporate Governance website at www.pitneybowes.com under the caption "Our Company—Our Leadership & Governance—Corporate Governance." If notice of a matter is not received within the applicable deadlines or does not comply with the By-laws, the chairman of the meeting may refuse to introduce such matter. If a stockholder does not meet these deadlines, or does not satisfy the requirements of Rule 14a-4 of the Exchange Act, the persons named as proxies will be allowed to use their discretionary voting authority when and if the matter is raised at the annual meeting.

Corporate Governance

We encourage stockholders to visit our Corporate Governance website at www.pitneybowes.com under the caption “Our Company—Meet Our Leaders—Corporate Governance” for information concerning governance practices, including the Governance Principles of the Board of Directors, charters of the committees of the board, and the directors’ Code of Business Conduct and Ethics. Our Business Practices Guidelines, which is the Code of Ethics for employees, including our Chief Executive Officer (CEO) and our named executive officers (NEOs), is also available at “Our Company—Corporate Responsibility—Values & Ethics.” We intend to disclose any future amendments or waivers to certain provisions of the directors’ Code of Business Conduct and Ethics or the Business Practices Guidelines on our website within four business days following the date of such amendment or waiver.

Investor Outreach. It is our practice to contact many of our stockholders over the course of the year to seek their views on various governance topics and executive compensation matters. In the spring of 2016, we reached out to stockholders representing approximately 49% of outstanding company shares, and in fall 2016, we reached out to stockholders representing approximately 51% of outstanding company shares. We value the feedback we receive concerning the board’s leadership structure, governance practices, the company’s proxy statement, and emerging governance and executive compensation. With those stockholders who responded to our invitation in the fall of 2016, we discussed corporate governance practices, executive compensation policies and our approach to the board’s role in risk mitigation oversight, including its oversight of our cybersecurity efforts. The stockholders were generally satisfied with our approach.

GENERAL INFORMATION

Key Corporate Governance Practices Enhancing the Board's Independent Leadership, Accountability and Oversight

Separate Chairman and CEO. Our Governance Principles include well-defined responsibilities, qualifications and selection criteria with respect to the Chairman role. The board has appointed Michael I. Roth, an independent director, as Non-Executive Chairman.

Independent Committees. The board of directors determined that all board committees, other than the Executive Committee, should consist entirely of independent directors.

Executive Sessions. At each regular board meeting, our independent directors meet without the CEO or other members of management present to discuss issues, including matters concerning management. The Non-Executive Chairman presides at these executive sessions.

Majority Voting in Director Elections. Our By-Laws provide that in uncontested elections, director nominees must be elected by a majority of the votes cast.

Annual Election of Directors. Our By-Laws provide that our stockholders elect all directors annually.

Stock Holding Requirements. Each director is required to achieve a minimum share ownership with a market value equal to five times the annual base cash retainer for board service. The minimum ownership requirement must be achieved within the first five years of service on the board.

No Hedging or Pledging. Directors may not pledge or transfer for value Pitney Bowes securities, engage in short-term speculative (“in and out”) trading in Pitney Bowes securities, or participate in hedging and other derivative transactions, including short sales, “put” or “call” options, swaps, collars or similar derivative transactions, with respect to Pitney Bowes securities.

Annual Assessments. Every year, the full board, as well as each board committee, conducts a self-assessment to evaluate all aspects of the board or board committee, including the members of the board and the board's leadership. In some years, the board engages a third party advisor for assistance in the self-assessment, and it did so in 2016. The third-party advisor provided feedback in separate discussions with the full board and the Governance Committee as well as in individual discussions with the Chairman and with the Chair of the Governance Committee.

Board of Directors

Leadership Structure

The board of directors has separated the roles of Chairman and CEO. Michael I. Roth, an independent director, is our Non-Executive Chairman of the board of directors last reappointed by the board for an additional one-year term in

May 2016. The board of directors believes it should have the flexibility to establish a leadership structure that works best for the company at a particular time, and it reviews that structure from time to time, including in the context of a change in leadership. The board believes that its current leadership structure best serves the objective of effective board oversight of management at this time and allows our CEO to focus primarily on the operations and management of the company, while leveraging the experience of the Non-Executive Chairman to lead the board.

In addition to his responsibilities in chairing the meetings of the board and of the Finance Committee, Mr.

Roth, is actively involved in providing guidance to the Chief Executive Officer through frequent conversations, bringing to bear his experiences as a current and former CEO of public companies and his experiences from his service on other boards. He is a member of the Audit Committee and also regularly attends the meetings of the two committees on which he is not a member, Executive Compensation and Governance. Also, our CEO's ability to confer with Mr. Roth in person is enhanced by Mr. Roth's proximity to company headquarters.

The board of directors has established well-defined responsibilities, qualifications and selection criteria with respect to the Chairman role. This information is set forth in detail in the Governance Principles of the Board of Directors, which can be found on our website at www.pitneybowes.com under the caption "Our Company—Meet Our Leaders—Corporate Governance."

CORPORATE GOVERNANCE

Management Succession Planning

Among the board's most important responsibilities is to oversee short and long-term succession planning and leadership development. As part of this process, the Governance Committee oversees long-term and short-term plans for CEO succession. The board of directors is responsible for evaluating the performance of the CEO and for selection of successors to that position. The criteria used when assessing the qualifications of potential CEO successors include, among others, strategic vision and leadership, operational excellence, financial management, ability to motivate employees, and an ability to develop an effective working relationship with the board. The Governance Principles of the

Board of Directors, which are posted on the company's website at www.pitneybowes.com under the caption "Our Company—Meet Our Leaders—Corporate Governance," include additional information about succession planning.

Periodically, but not less than annually, the board of directors considers management's recommendations concerning succession planning for senior management roles other than the role of CEO. As part of this process, the board reviews development plans to strengthen and supplement the skills and qualifications of internal succession candidates.

Board Composition and Board Succession Planning

The Governance Committee periodically updates and reviews the skills and types of experience that should be represented on the board of directors in light of the company's current business needs and future strategy. The Committee then compares these desired skills and experiences to those which current board members possess to determine whether all the identified skills and experience are sufficiently represented on the board. Based upon its review, and on its discussion with the CEO, the Committee may recommend to the board that additional expertise is advisable. The Committee would then develop for the board's consideration a skills and experience profile to be used in identifying additional board candidates as appropriate.

The board believes that, in planning for board succession, it is advisable to maintain a board that includes both experienced directors with extensive knowledge of the company's businesses, as well as newer directors who can refresh the board's collective experience and expertise as business needs require. The board, as well as each of its committees, circulates to its members on an annual basis, a performance assessment questionnaire. The results of the assessment are reviewed by the respective committees, with a view toward taking action to address issues presented. The Governance Committee assesses the contributions of each director annually, and determines the skill set required for new members joining the board. The average tenure of our board members is approximately 11 years.

Role of the Board of Directors in Risk Oversight

The board of directors is responsible for oversight of the risk assessment and risk management process. Management is responsible for risk management, including identification and mitigation planning. The company established an enterprise risk management process to identify, assess, monitor and address risks across the entire company and its business operations. The description, assessments, mitigation plan and status for each enterprise risk are developed and monitored by management, including management “risk owners” and an oversight management risk committee.

Both the Audit Committee and the entire board review on an ongoing basis the structure of the company’s enterprise risk management program, including the overall process by which management identifies and manages risks. Upon the recommendation of the Governance Committee, the board of directors assigns oversight responsibility for each of the enterprise-wide risks to either a specific committee of the board, or to the full board. The board and each committee, with the exception of the Executive Committee, are responsible for oversight of one or more risks. In 2016, the Audit Committee amended its Charter to formalize its oversight of the Information Technology function generally, and cybersecurity in particular. The assignments are generally made based upon the type of enterprise risk and the

linkage of the subject matter to the responsibilities of the committee as described in its charter or the nature of the enterprise risk warranting review by the full board. For example, the Finance Committee oversees risks relating to liquidity, the Audit Committee oversees risks relating to internal controls and the Executive Compensation Committee reviews risk analyses relating to the Company’s compensation programs. With respect to cybersecurity, members of management from multiple disciplines in the company, including Information Technology, Research and Development, Legal and Privacy and Internal Audit provide a detailed overview to the full board of the company’s efforts regarding cybersecurity. Additionally, the enterprise risks that relate to cybersecurity are presented to the Audit Committee in further detail at Audit Committee meetings.

Each enterprise risk and its related mitigation plan is reviewed by either the board of directors or the designated board committee on an annual basis. On an annual basis, the board of directors receives a report on the status of all enterprise risks and their related mitigation plans.

Management monitors the risks and determines, from time to time, whether new risks should be considered either due to changes in the external environment,

CORPORATE GOVERNANCE

changes in the company's business, or for other reasons. Management also determines whether previously identified risks should be combined with new or emerging risks.

Over the course of the year, management presents to the board for discussion purposes, the company's overall strategic plan, as well as the strategic plan for each business unit.

Director Independence

The board of directors conducts an annual review of the independence of each director under the New York Stock Exchange listing standards and our standards of independence, which are set forth in the Governance Principles of the Board of Directors available on our website at www.pitneybowes.com under the caption "Our Company—Our Leadership & Governance—Corporate Governance." In making these determinations, the board of directors considers, among other things, whether any director or the director's immediate family members have had any direct or indirect material relationship with Pitney Bowes or its management, including

current or past employment with Pitney Bowes or its independent accountants.

Based upon its review, the board of directors has concluded in its business judgment that the following directors are independent: Linda G. Alvarado, Anne M. Busquet, Roger Fradin, Anne Sutherland Fuchs, S. Douglas Hutcheson, Eduardo R. Menascé, Michael I. Roth, Linda S. Sanford, David L. Shedlarz, and David B. Snow, Jr.

Marc B. Lautenbach is not independent because he is a Pitney Bowes executive officer.

Communications with the Board of Directors

Stockholders and other interested parties may communicate with the Non-Executive Chairman of the board via e-mail at boardchairman@pb.com, the Audit Committee chair via e-mail at audit.chair@pb.com or they may write to one or more directors, care of the Corporate Secretary, Pitney Bowes Inc., 3001 Summer Street, Stamford, CT 06926-0700.

The board of directors has instructed the Corporate Secretary to assist the Non-Executive Chairman, Audit Committee chair and the board in reviewing all electronic and written communications, as described above, as follows:

- (i) Customer, vendor or employee complaints or concerns are investigated by management and copies are forwarded to the Chairman;
- (ii) If any complaints or similar communications regarding accounting, internal accounting controls or auditing matters are received, they will be forwarded by the Corporate Secretary to the General Auditor and to the Audit Committee chair for review and copies will be forwarded to the Chairman. Any such matter will be investigated in accordance with the procedures established by the Audit Committee; and

(iii) Other communications raising matters that require investigation will be shared with appropriate members of management in order to permit the gathering of information relevant to the directors' review, and will be forwarded to the director or directors to whom the communication was addressed.

Except as provided above, the Corporate Secretary will forward written communications to the full board of directors or to any individual director or directors to whom the communication is directed unless the communication is threatening, illegal or similarly inappropriate. Advertisements, solicitations for periodical or other subscriptions, and other similar communications generally will not be forwarded to the directors.

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Board Committees and Meeting Attendance

During 2016, each director attended at least 75% of the total number of board meetings and meetings held by the board committees on which he or she served. The board of directors met seven times in 2016, and the independent directors met in executive session, without any member of management in attendance, six times. Each member of the board of directors serves on one or more of the five standing committees described below. As the need arises, the board may establish ad hoc committees of the board to consider specific issues. Mr. Lautenbach is a member of the Executive Committee.

The members of all other board committees are independent directors pursuant to New York Stock Exchange independence standards. Each committee of the board operates in accordance with a charter. The members of each of the board committees are set forth in the following chart.

It is the longstanding practice and the policy of the board of directors that the directors attend the annual meeting of stockholders. All directors then serving on the board attended the May 2016 annual meeting.

Name	Executive				
	Audit	Executive	Compensation	Finance	Governance
Linda G. Alvarado				X	X
Anne M. Busquet			X		X
Roger Fradin	X			X	
Anne Sutherland Fuchs			X		X
S. Douglas Hutcheson	X			X	
Marc B. Lautenbach		X			
Eduardo R. Menascé		X	Chair		X
Michael I. Roth	X	Chair		Chair	
Linda S. Sanford	X		X		
David L. Shedlarz	Chair	X		X	
David B. Snow, Jr.		X	X		Chair
Number of meetings in 2016	7	0	8	5	6

Audit Committee

The Audit Committee monitors our financial reporting standards and practices and our internal financial controls to confirm compliance with the policies and objectives established by the board of directors and oversees our ethics and

compliance programs. The committee appoints independent accountants to conduct the annual audits, and discusses with our independent accountants the scope of their examinations, with particular attention to areas where either the committee or the independent accountants believe special emphasis should be directed. The committee reviews the annual financial statements and independent accountant's report, invites the independent accountant's recommendations on internal controls and on other matters, and reviews the evaluation given and corrective action taken by management. It reviews the independence of the independent accountants and approves their fees. It also reviews our internal accounting controls and the

scope and results of our internal auditing activities, and submits reports and proposals on these matters to the board. The committee is also responsible for overseeing the process by which management identifies and manages the company's risks. The committee meets in executive session with the independent accountants and internal auditor at each committee meeting.

The Audit Committee also has oversight over the information technology function, cybersecurity risks as well as compliance generally.

The board of directors has determined that the following members of the Audit Committee are "audit committee financial experts," as that term is defined by the SEC: S. Douglas Hutcheson, Michael I. Roth and David L. Shedlarz. All Audit Committee members are independent as defined under the New York Stock Exchange standards.

Executive Committee

The Executive Committee can act, to the extent permitted by applicable law and the company's Restated Certificate of Incorporation and its By-laws, on matters concerning management of the business which may arise between scheduled board of directors meetings and as described in the Committee's charter. The Committee meets on an ad hoc basis when circumstances necessitate.

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Executive Compensation Committee

The Executive Compensation Committee is responsible for our executive compensation policies and programs. The Committee chair frequently consults with, and the Committee meets in executive session with, Pay Governance LLC, its independent compensation consultant. The Committee recommends to all of the independent directors for final approval policies, programs and specific actions regarding the compensation of the CEO and the Chief Operating Officer (COO), and approves the

same for all of our other executive officers. The Committee also recommends the “Compensation Discussion and Analysis” for inclusion in our proxy statement, in accordance with the rules and regulations of the SEC, and reviews and approves stock grants and other stock-based compensation awards. All Executive Compensation Committee members are independent as independence for compensation committee members is defined in the New York Stock Exchange standards.

Finance Committee

The Finance Committee reviews our financial condition and capital structure, and evaluates significant financial policies and activities, oversees our major retirement programs, advises management and recommends financial action to the board of directors. The Committee’s duties include monitoring our current and projected financial condition, reviewing and recommending for board approval quarterly dividends, share repurchases,

and other major investment decisions including financing, mergers and acquisitions, divestitures and overseeing the financial operations of our retirement plans. The Committee recommends for approval by the board of directors the establishment of new retirement and post-retirement benefit plans and any amendments that materially affect cost, benefit coverages, or liabilities of the plans.

Governance Committee

The Governance Committee recommends nominees for election to the board of directors, recommends membership in, and functions of, the board committees, reviews and recommends to the board of directors the amount and form of compensation to non-employee members of the board, and oversees CEO and senior management succession planning. The Governance Principles of the Board of Directors, which are posted on our website at www.pitneybowes.com under the caption “Our Company—Meet Our Leaders—Corporate Governance,” include additional information about succession planning. The Committee reviews and evaluates the effectiveness of board administration and its governing documents, and reviews and monitors company programs and policies relating to

directors. The Committee reviews related-person transactions in accordance with company policy.

The Governance Committee generally identifies qualified candidates for nomination for election to the board of directors from a variety of sources, including other board members, management and stockholders. The Committee also may retain a third-party search firm to assist the Committee members in identifying and evaluating potential nominees to the board of directors.

Stockholders wishing to recommend a candidate for consideration by the Governance Committee may do so by writing to: c/o Corporate Secretary, Pitney Bowes Inc., 3001 Summer Street, Stamford, CT 06926-0700.

Recommendations submitted for consideration by the committee must contain the following information: (i) the name and address of the stockholder; (ii) the name and address of the person to be nominated; (iii) a representation that the