

PITNEY BOWES INC /DE/  
Form DEF 14A  
March 25, 2013

**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
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- Definitive Proxy Statement
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**Pitney Bowes Inc.**

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

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**NOTICE OF THE 2013  
ANNUAL MEETING  
AND  
PROXY STATEMENT**

**PITNEY BOWES INC.  
WORLD HEADQUARTERS  
1 ELMCROFT ROAD  
STAMFORD, CONNECTICUT 06926-0700  
(203) 356-5000**

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## To the Stockholders:

We will hold our 2013 annual meeting of stockholders at 9:00 a.m. on Monday, May 13, 2013 at our World Headquarters in Stamford, Connecticut. The Notice of Meeting and Proxy Statement and accompanying proxy card describe in detail the matters to be acted upon at the meeting.

One proposal on the agenda for the annual meeting is our advisory Say-on-Pay vote to approve the compensation of our named executive officers. At the 2012 annual meeting of stockholders, a majority of the votes cast were against our Say-on-Pay proposal. The Board of Directors and the Executive Compensation Committee took the results very seriously and engaged many of our largest stockholders, carefully reviewed our executive compensation program and made many changes as more fully described in the Compensation Discussion and Analysis section of this proxy statement, which we encourage you to read carefully.

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, 2012, to many of our stockholders over 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 25, 2013, 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, 2012 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](http://www.proxyvote.com).

We look forward to seeing you at the meeting.

Michael I. Roth  
Non-Executive Chairman of the Board

Stamford, Connecticut  
March 25, 2013

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## Notice of Meeting:

The annual meeting of stockholders of Pitney Bowes Inc. will be held on Monday, May 13, 2013, at 9:00 a.m. at the company's World Headquarters, 1 Elmcroft Road, Stamford, Connecticut 06926-0700. Directions to Pitney Bowes' World Headquarters appear on the back cover page of the proxy statement.

**Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be held on May 13, 2013:**

**Pitney Bowes' 2013 Proxy Statement and Annual Report to Stockholders, including the Report on Form 10-K for the year ended December 31, 2012, are available at [www.proxyvote.com](http://www.proxyvote.com).**

The items of business at the annual meeting are:

1. Election of 10 Directors named in the proxy statement.
2. Ratification of the Audit Committee's Appointment of the Independent Accountants for 2013.
3. Advisory Vote to Approve Executive Compensation.
4. Approval of the 2013 Stock Plan.
5. Such other matters as may properly come before the meeting, including any continuation of the meeting caused by any adjournment or postponement of the meeting.

March 15, 2013 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 25, 2013.

Amy C. Corn  
Corporate Secretary

**NOTICE: Brokers are not permitted to vote on our proposals regarding the election of directors, executive compensation and certain other matters without instructions from the beneficial owner. Your vote is important. 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 before the date of the stockholders meeting.**

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## Proxy Summary

*In this summary we highlight certain information contained elsewhere in this proxy statement. This is only a summary and does not contain all the information you should consider before you submit your proxy or vote. Please read the complete proxy statement and Annual Report on Form 10-K before you submit your proxy or vote.*

## Annual Meeting Information

<b>Time and Date:</b>	<b>Monday, May 13, 2013 at 9:00 a.m.</b>
<b>Place:</b>	Pitney Bowes World Headquarters 1 Elmcroft Road Stamford, CT 06926-0700
<b>Requirements for Attending the Meeting:</b>	Admission card which is attached to your proxy card together with a form of 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 (such as bank or brokerage account statement).
<b>Record Date:</b>	March 15, 2013
<b>Voting:</b>	Stockholders as of the record date (March 15, 2013) are entitled to submit proxies by Internet at <a href="http://www.proxyvote.com">www.proxyvote.com</a> ; telephone at 1-800-690-6903; completing your proxy card or voter instruction card; or 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.

## New CEO and Separation of Chairman and CEO Roles

Effective December 3, 2012, the board of directors elected Marc B. Lautenbach as our new President and Chief Executive Officer (CEO). He was also elected to the board of directors for a term expiring at the 2013 annual meeting of stockholders. At the same time, the board of directors separated the roles of Chairman and Chief Executive Officer and appointed Michael I. Roth to the newly created role of Non-Executive Chairman of the board of directors. Prior to this appointment, Mr. Roth served as Lead Director for the board. The Non-Executive Chairman position has replaced the Lead Director position. Our former CEO, Murray D. Martin, resigned effective December 3, 2012, from his position as Chairman, President and Chief Executive Officer and as a member of the board. He was elected Executive Vice President for a term expiring February 6, 2013, to work with Mr. Lautenbach on an effective transition until his retirement at that time.

## 2012 Performance

Revenue for 2012 decreased 4% to \$4,904 million compared to \$5,123 million in 2011 with worldwide economic conditions, pricing pressures, declining mail volumes and constrained public sector spending in Europe, contributing to the decline. Net income from continuing operations and earnings per diluted share for 2012 were \$436 million and \$2.16, respectively, compared to \$401 million and \$1.98, respectively, in 2011. The improvement in earnings per share in 2012 over 2011 was primarily due to lower restructuring charges in 2012 and a 2011 goodwill impairment charge partially offset by higher tax expense due to tax benefits recognized from tax settlements in 2011.



## PROXY SUMMARY

Worldwide economic conditions continue to create a challenging business environment causing many of our clients to remain cautious about spending and therefore impacting the performance of our business segments. Our growth initiatives continue to focus on leveraging our expertise in physical communications with our expanding capabilities in digital and hybrid communications and developing products, software, services and solutions that help our clients grow their businesses by more effectively communicating with their customers. We expect to make continued investments in these growth initiatives.

### 2012 Announcement Highlights

Announced multi-year agreement with Facebook to offer global geocoding, reverse geocoding and other location intelligence applications, representing our advantage in industry-leading technology;  
Partnered with eBay to facilitate international ecommerce and cross-border sale of goods;  
Continued investment in Volly - announced partnership with Australia Post;  
Decided to exit the International Mail Services business as part of our portfolio shift from physical to digital;  
Retired a total of \$550 million in debt, reflecting our commitment to reducing leverage;  
Issued debt totaling \$340 million (\$230 million in bank loans and \$110 million in retail bonds) to take advantage of attractive financing terms and to provide funding for 2013 bond maturity; and  
Announced restructuring program with expected annualized cost savings of approximately \$45 to \$55 million beginning in 2013.

We urge stockholders to read our Annual Report on Form 10-K for the year ended December 31, 2012, filed with the Securities and Exchange Commission ( SEC ) on February 25, 2013, which describes our business and 2012 financial results in more detail.

## Executive Compensation Program

Over the course of last year, the Executive Compensation Committee engaged in an extensive re-examination of our executive compensation program as a result of the Say-on-Pay vote at our 2012 annual meeting of stockholders. Before our 2012 annual meeting, the newly appointed chairman of the Executive Compensation Committee and members of management contacted stockholders holding approximately 60% of our outstanding shares to seek their views on our compensation approach. Following the majority vote by our stockholders against the Say-on-Pay resolution, the com-

mittee retained a new independent compensation consultant, Pay Governance LLC. After conducting its examination, including considering the feedback from stockholders and the negative Say-on-Pay vote, and obtaining advice from the compensation consultant, the Executive Compensation Committee and the independent board members made significant changes to our executive compensation program to enhance the alignment of our executive compensation program with stockholders' interests. Following approval of the changes, the committee chairman again engaged our stockholders. He initiated contact with holders of approximately 64% of our outstanding shares and ultimately discussed the changes with more than a majority of those contacted. The stockholders responded favorably at those meetings to the compensation program changes.

### Key Changes Made to our Executive Compensation Program

- Aligned the former CEO's annual incentive target to the median market competitive data, reducing it from 165% to 130% of base salary. We maintained the same target level for our new CEO;
- Enhanced the rigor and transparency of our annual incentive objectives by increasing the weight of the financial objectives to at least 80% and reducing the weight of strategic objectives to no more than 20%;
- Changed the type and mix of our long-term incentives and increased the performance-based component. Beginning in 2013, long-term incentives are composed of 60% cash incentive units ( CIUs ), and 40% restricted stock units ( RSUs );
- Cancelled our former CEO's \$2 million special Key Employee Incentive Plan ( KEIP ) award.
- Revised our peer group to better balance company size and business complexity;
- Enhanced disclosure of our performance targets;
- Eliminated the excise tax gross-ups; and
- Reduced severance benefits payable upon a change of control for officers by up to one-third at the most senior management levels.

Please see Compensation Discussion and Analysis Discussion of Compensation Actions Response to the 2012 Say-on-Pay Vote for a more complete description of these changes.

### Reduced 2012 Payouts

We have a pay-for-performance philosophy that is the foundation of all decisions regarding compensation of our named executive officers. With the changes approved by the Executive Compensation Committee and the independent board members, we have enhanced the link between pay and performance in the design of our executive compensation program. Because the Executive Compensation Committee implemented the 2012 executive compensation program before the 2012 Say-on-Pay vote, some of the recent changes will not be reflected in the named executive officer compensation tables until 2013 executive compensation is reported in the 2014 proxy statement. Where possible, however, the committee retroactively adjusted compensation features and also further reduced the final payouts to align total compensation with our performance and our total stockholder return (TSR).

Given the special circumstances of this year, including the TSR, the limited ability to retroactively change many aspects of awards made prior to the 2012 Say-on-Pay vote, and to ensure a strong alignment of pay to performance, the committee concluded that lowering executive compensation was appropriate. The payout for the 2012 annual incentive and CIU awards was well below target as a result of overall below target performance.

While 2012 performance against stated objectives under the annual incentive plan would have supported a pay-out of 75% of target, the committee used negative discretion to reduce the annual incentive payout by an additional 11% to 64% of target, which is 35% below the payout from the previous year.

For the 2010-2012 CIU long-term incentive award, performance against objectives would have supported a pay-out of \$1.42 per unit, before applying the TSR modifier. The TSR modifier reduced the CIU award payout by 20% to \$1.14 per unit. The committee used negative discretion to reduce the CIU payout by an additional 35% to \$0.74 per unit, which is 31% below the CIU payout one year ago. The committee reduced the payout from \$1.42 per unit to \$0.74 per unit to approximate the decline in our stock price over the three-year performance period.

Negative discretion is a concept from Internal Revenue Code 162(m) allowing tax deductibility in certain circumstances if compensation awards are considered performance-based. It also gives the Executive Compensation Committee the right to reduce the amount that would otherwise be payable based solely on the performance metrics achieved, yet still preserve the tax deductibility under IRC 162(m).

Please see Compensation Discussion and Analysis Compensation Payout Overview beginning on page 53 of this proxy statement for a more detailed discussion of the 2012 executive compensation awards and payouts.

PROXY SUMMARY

**Direct Compensation Components and Mix**

For each named executive officer (NEO), the committee sets target total direct compensation levels (base salary plus annual and long-term incentives) so that the base salary, total cash compensation, and total direct compensation is at +/- 20% of the median for each position of the competitive data using the Towers Watson General Industry Executive Compensation Survey Report, as regressed for companies approximately our size. Named executive officer direct compensation is weighted toward variable compensation, where the actual amount earned may vary from the targeted amounts due to company performance.

## PROXY SUMMARY

Component	Percentage of Total Direct Compensation	Role	Comments
<b>Base Salary</b>		To provide competitive fixed pay based on responsibilities, skills and experience	Fixed compensation; increases influenced by executive s individual performance rating
<b>Annual Incentive</b>		To reward achievement of pre-established enterprise-wide short term objectives	Based on objective performance, however, individual performance rating can be factored into final payout
<b>Long-Term Incentive</b>		To reward achievement of pre-established enterprise-wide long term objectives that drive stockholder value	Awards are partially paid out in cash and partially in shares. Partially subject to objectives in addition to the 162(m) threshold target

## Meeting Agenda Items

### Proposal 1: Election of Directors

You are being asked to elect 10 directors. Two of our current directors, James H. Keyes and Robert E. Weissman, will retire from the board, as required by our Governance Principles, when their current terms end as of the 2013 annual meeting of stockholders. One of our current directors, Rodney Adkins, expressed a preference not to be re-nominated. Effective as of May 13, 2013, the board of directors reduced the size of the board from thirteen to ten members. Each of the other directors is standing for election to a one-year term ending as of the next annual meeting of stockholders in 2014 and until his successor has been duly elected and qualified.

All directors attended over 75% of the meetings of the board and board committees on which they served in 2012.

## PROXY SUMMARY

## Summary Information about our Director Nominees

Director Nominee	Age	Director Since	Occupation	Independent**	Committees	Other Public Boards
Linda G. Alvarado	61	1992	President and CEO, Alvarado Construction, Inc.	X	Finance Governance	3M Company
Anne M. Busquet	63	2007	Principal, AMB Advisors, LLC	X	Finance Governance	Meetic S.A.
Roger Fradin	59	2012	President and CEO, Honeywell Automation and Control Solutions, Honeywell International, Inc.	X	Audit Finance	MSC Industrial Direct Co., Inc.
Anne Sutherland Fuchs	65	2005	Consultant to private equity firms	X	Audit Executive Compensation	Gartner, Inc.
S. Douglas Hutcheson	57	2012	CEO, Leap Wireless International, Inc.	X	Audit Finance	Leap Wireless International, Inc.
Marc B. Lautenbach	51	2012	President and CEO, Pitney Bowes Inc.		Executive	
Eduardo R. Menascé	67	2001	Retired President, Enterprise Solutions Group, Verizon Communications Inc.	X	Executive Executive Compensation*** Governance	John Wiley & Sons Inc., Hill-Rom Holdings, Inc., Hillenbrand, Inc.
Michael I. Roth*	67	1995	Chairman and CEO, The Interpublic Group of Companies, Inc.	X	Audit Executive*** Finance***	Ryman Hospitality Properties Inc., The Interpublic Group of Companies, Inc.
David L. Shedlarz	64	2001	Retired Vice Chairman, Pfizer Inc.	X	Audit*** Executive Finance	Teachers Insurance and Annuity Association, The Hershey Company
David B. Snow, Jr.	58	2006	Former Chairman and CEO, Medco Health Solutions, Inc.	X	Executive Executive Compensation Governance***	

\* Non-Executive Chairman, Pitney Bowes Inc.

\*\* In accordance with the New York Stock Exchange listing standards and the standards of independence, which are set forth in the Governance Principles of the Board of Directors available on our website at [www.pb.com](http://www.pb.com) under the caption "Our Company Leadership & Governance."

\*\*\* Committee Chair

## Vote Required (Majority Vote)

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In accordance with our By-laws, in an uncontested election, a majority of the votes cast is required for the election of directors. Abstentions and broker non-votes will not be votes cast and therefore will have no effect on the outcome of the vote. The board of directors Governance Principles provide that any nominee for director in this election who fails to receive a majority of votes cast in the affirmative must tender his or her resignation for consideration by the Governance Committee. The Governance Committee will recommend to the board of directors the action to be taken with respect to any offer of resignation. The board of directors will act on the Governance Committee's recommendation and publicly disclose its decision within 90 days from the date of the certification of the election results.

**The board of directors recommends a vote FOR the election of the director candidates nominated by the board.**

**Proposal 2: Ratification of the Audit Committee s Appointment of the Independent Accountants for 2013**

The board is asking stockholders to ratify the selection of PricewaterhouseCoopers LLP as our independent accountants for 2013.

**Vote Required (Majority Vote)**

Ratification of the appointment of our independent accountants requires the affirmative vote of a majority of the votes cast. Abstentions and broker non-votes will not be votes cast and therefore will have no effect on the outcome of the vote.

**The board of directors recommends a vote FOR the ratification of PricewaterhouseCoopers LLP as our independent accountants for 2013.**

**Proposal 3: Advisory Vote to Approve Executive Compensation**

The board is asking stockholders to approve, on an 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 will be at the 2014 annual meeting of stockholders.

**Vote Required (Majority Vote)**

The vote on executive compensation is an advisory vote and the results will not be binding on the board or Pitney Bowes Inc. The affirmative vote of the majority of the votes cast will constitute the stockholders non-binding approval with respect to our executive compensation programs. Abstentions and broker non-votes will not be votes cast and therefore will have no effect on the outcome of the vote.

**The board of directors recommends a vote FOR the approval of the advisory resolution on executive compensation.**

**Proposal 4: Approval of the Pitney Bowes Inc. 2013 Stock Plan**

The board is asking stockholders to approve the Pitney Bowes Inc. 2013 Stock Plan. The plan will govern grants of stock-based awards to employees. A maximum of 19 million shares plus certain shares subject to awards under our current 2007 Stock Plan, will be available for grants under the Pitney Bowes Inc. 2013 Stock Plan. Any shares authorized but not awarded under our current 2007 Stock Plan will be extinguished under that plan upon approval of the 2013 Stock Plan.

**Vote Required (Majority Vote)**

Approval of the Pitney Bowes Inc. 2013 Stock Plan requires the affirmative vote of the majority of the votes cast. Abstentions and broker non-votes will not be votes cast and therefore will have no effect on the outcome of the vote. In addition, under the New York Stock Exchange rules, the total number of votes cast must represent a majority of the outstanding shares entitled to vote on the proposal. However, for purposes of approval under New York Stock Exchange rules, abstentions are treated as votes cast, and, therefore, will have the same effect as an against vote. In addition, broker non-votes are considered entitled to vote, having the practical effect of increasing the number of affirmative votes required to achieve a majority of the shares entitled to vote.

**The board of directors recommends a vote FOR the proposal to approve the Pitney Bowes Inc. 2013 Stock Plan.**



## Proxy Statement

### 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 13, 2013, at 9:00 a.m. at the company's World Headquarters, 1 Elmcroft Road, Stamford, Connecticut, 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 stockholder of record. 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 (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.**

### Who is entitled to vote?

Record stockholders of Pitney Bowes common stock and \$2.12 convertible preference stock at the close of business on March 15, 2013 (the record date) can vote at the meeting. As of the record date, 201,463,161 shares of Pitney Bowes common stock and 23,928 shares of \$2.12 convertible preference stock were issued and outstanding. Each stockholder has one vote for each share of common stock owned as of the record date, and 16.53 votes for each share of \$2.12 convertible preference stock owned as of the record date.

### 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 grant your proxy to have your shares voted:

you may grant your proxy on-line via the Internet by accessing the following website and following the instructions provided: [www.proxyvote.com](http://www.proxyvote.com);

you may grant your proxy by telephone (1-800-690-6903); or

if you received your annual meeting material by mail, you may 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.

### 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 a majority of the shares entitled to vote 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. 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. In addition, under New York Stock Exchange rules, the total number of votes cast must represent a majority of the shares entitled to vote on the proposal.

### **How are votes counted?**

**Your broker is not permitted to vote on your behalf on the election of directors, executive compensation and other matters to be considered at the stockholders meeting (except on ratification of the selection of PricewaterhouseCoopers LLP as auditors for 2013), 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 before the date of the stockholders meeting.**

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.

## GENERAL INFORMATION

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 2013**

If you choose to abstain in the ratification of the Audit Committee s selection of the independent accountants for 2013, the abstention will have no effect.

### **Proposal 3: 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 on executive compensation.

### **Proposal 4: Approval of the Pitney Bowes Inc. 2013 Stock Plan**

For purposes of approval under our By-laws, broker non-votes and absentions 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 vote on the 2013 Stock Plan. However, for purposes of approval under New York Stock Exchange rules, abstentions are treated as votes cast, and, therefore, will have the same effect as an against vote. In addition, broker non-votes are considered entitled to vote, having the practical effect of increasing the number of affirmative votes required to achieve a majority of the shares entitled to vote.

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

If you are a stockholder of record 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.

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 1-800-579-1639 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.  
1 Elmcroft Road, MSC 63-02  
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 choose to receive:

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.

During the voting season, you can select the method of delivery for the future by following the instructions when you vote online or by telephone. If you choose to receive the annual meeting materials electronically, you will receive an e-mail for future meetings listing the website locations of these documents and your choice 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 2012 annual report may be viewed online at [www.proxyvote.com](http://www.proxyvote.com).

### **Stockholder Proposals and Other Business for the 2014 Annual Meeting**

If a stockholder wants to submit a proposal for inclusion in our proxy material for the 2014 annual meeting, which is scheduled to be held on Monday, May 12, 2014, it must be received by the corporate secretary by November 25, 2013. 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 by February 11, 2014. There are other procedural requirements in the By-laws pertaining to stockholder proposals and director nominations. The By-laws are posted on the Corporate Governance website at [www.pb.com](http://www.pb.com) under the caption Our Company Leadership & Governance.

## Corporate Governance

Stockholders are encouraged to visit our Corporate Governance website at [www.pb.com](http://www.pb.com) under the caption "Leadership & 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 and chief financial officer, is also available on our Leadership & Governance website. 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.

### **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. Effective December 3, 2012, the board 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 board meeting, our independent directors meet without the CEO or other members of management present to discuss issues, including matters concerning management. Our Non-Executive Chairman presides over 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.* Under the Directors' Stock plan, restricted stock awards may not be transferred or alienated, subject to limited exceptions, until the later of (i) termination of service as a director, or, if earlier, the date of a change of control (as defined in the Directors' Stock Plan), and (ii) the expiration of the six-month period following the grant of such shares.

*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.

## Board of Directors

### Leadership Structure

Effective December 3, 2012, the board of directors appointed Michael I. Roth, an independent director, as Non-Executive Chairman of the board of directors. Prior to this appointment, Mr. Roth served as Lead Director for the board. 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 decided that, with the election of Mr. Lautenbach as CEO, and due to the fact that the responsibilities of the Lead Direc-

tor were similar in most respects to those of a Non-Executive Chairman, this was an appropriate time to separate the roles of CEO and Chairman.

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.pb.com](http://www.pb.com) under the caption Our Company Leadership & Governance.

## 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 enterprise risk management process was established to identify, assess, monitor and address risks across the entire company and its business operations. The description, assessments, mitigation plan and status for each enter-

prise risk are developed and monitored by management, including management risk owners and an oversight management risk committee.

Oversight responsibility for each of the identified enterprise-wide risks is assigned, upon the recommendation of the Governance Committee and approval by the board of directors, to either a specific committee of the board, or to the full board. In addition to the board, each

## CORPORATE GOVERNANCE

committee, with the exception of the Executive Committee, is responsible for oversight of one or more risks. Where possible, the assignments are 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 Executive Compensation Committee oversees risks relating to compensation and the Audit Committee oversees risks relating to internal controls. 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. The Audit Commit-

tee is responsible for overseeing and reviewing on an ongoing basis the overall process by which management identifies and manages risks. 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, 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.

## 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.pb.com](http://www.pb.com) under the caption "Our Company Leadership & Governance". In making these determinations, the board of directors considers, among other things, whether any director has 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 by the director or the director's immediate family.

Based upon its review, the board of directors has concluded in its business judgment that the following directors are independent: Rodney C. Adkins, Linda G. Alvarado, Anne M. Busquet, Roger Fradin, Anne Sutherland Fuchs, S. Douglas Hutcheson, James H. Keyes, Eduardo R. Menascé, Michael I. Roth, David L. Shedlarz, David B. Snow, Jr. and Robert E. Weissman. 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](mailto:boardchairman@pb.com), the Audit Committee chair via e-mail at [audit.chair@pb.com](mailto:audit.chair@pb.com) or they may write to one or more directors, care of the Corporate Secretary, Pitney Bowes Inc., 1 Elmcroft Road, MSC 65-19, 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.

## Board Committees and Meeting Attendance

During 2012, 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 eleven times in 2012, and the independent directors met in executive session, without any member of management in attendance, ten times. Members of the board of directors serve 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 attended the May 2012 annual meeting.



