PITNEY BOWES INC /DE/
Form DEF 14A
March 23, 2012

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 þ

Filed by Party other than Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

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

þ Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Materials Pursuant to §240.14a-12

Pitney Bowes Inc.

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies: [inert]
(2) Aggregate number of securities to which transaction applies: [inert]
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
(5) Total fee paid:

o Fee paid previously with preliminary materials.

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

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notice of the 2012
Annual Meeting
and
Proxy Statement

Pitney Bowes Inc.
World Headquarters
1 Elmcroft Road
Stamford, Connecticut 06926-0700
(203) 356-5000

To the Stockholders:

We will hold our 2012 annual meeting of stockholders at 9:00 a.m. on Monday, May 14, 2012 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.

It is important that your shares be represented at the meeting. Whether or not you plan to attend, please submit a proxy to vote your shares through one of the three convenient methods described in this proxy statement. 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, 2011, to many of our stockholders over the Internet pursuant to Securities and Exchange Commission rules. We urge you to review our Annual Report to Stockholders, including the Report on Form 10-K for the year ended December 31, 2011, as well as our Proxy Statement for information on our financial results and business operations over the past year and our strategy. 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 23, 2012 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 vote 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, if specifically requested, 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, 2011 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 to vote via telephone or the Internet, as soon as possible. If you decide to attend the annual meeting and wish to change your vote, you may do so 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.

Murray D. Martin
Chairman, President and
Chief Executive Officer

Stamford, Connecticut
March 23, 2012

Notice of Meeting:

The annual meeting of stockholders of Pitney Bowes Inc. will be held on Monday, May 14, 2012, 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 14, 2012:

Pitney Bowes 2012 Proxy Statement and Annual Report to Stockholders, including the Report on Form 10-K for the year ended December 31, 2011, are available at 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 2012.
3. Advisory Vote to Approve Executive Compensation.
4. Such other matters as may properly come before the meeting, including any continuation of the meeting caused by any adjournment of the meeting.

March 16, 2012 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 23, 2012.

Amy C. Corn
Corporate Secretary

NOTICE: Brokers, banks and other nominees are not permitted to vote on our proposals regarding the election of directors or executive compensation matters without instructions from the beneficial owner. Your vote is important. Therefore, if your shares are held through a broker, bank or other nominee, please instruct your broker, bank or other nominee on how to vote your shares. Unless you provide instructions to your broker, banker or other nominee on how to vote your shares, your shares will not be voted with respect to proposals 1 or 3.

TABLE OF CONTENTS

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 14, 2012, 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 16, 2012 (the record date) can vote at the meeting. As of the record date 200,204,924 shares of Pitney Bowes common stock and 24,127 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: (i) you may grant your proxy on-line via the Internet by accessing the following website and following the instructions provided: www.proxyvote.com; (ii) you may grant your proxy by telephone (1-800-690-6903); or (iii) 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 change my vote?

If you are a registered stockholder, you may change your vote at any time before your proxy is voted at the meeting by any of the following methods: (i) you may send in a revised proxy dated later than the first proxy; (ii) you may vote in person at the meeting; or (iii) 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 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 and 3 will be approved if a quorum is present and a majority of the votes cast by the stockholders are voted for the proposal.

How are votes counted?

Brokers, banks and other nominees are not permitted to vote on the election of directors or on executive compensation matters without instructions from the beneficial owner, as discussed in more detail below. Your vote is important. Therefore, if your shares are held through a broker, bank or other nominee, please instruct your broker, bank or other nominee on how to vote your shares. Unless you provide instructions to your broker, banker or other nominee on how to vote your shares, your shares will not be voted with respect to proposals 1 or 3.

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 or if you abstain on one or more agenda items, the effect would be as follows:

Proposal 1:

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

Proposal 2:

If you choose to abstain in the ratification of the Audit Committee s selection of the independent accountants for 2012, the abstention will have no effect.

Proposal 3:

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. If you choose to abstain, the abstention will have no effect. Broker non-votes would not be votes cast and therefore would not be counted either for or against. As a result, broker non-votes would have no effect.

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 the company s Dividend Reinvestment Plan, or the company s 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 the company s 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.

Multiple Copies of Annual Report to Stockholders

In addition to furnishing proxy materials over the Internet, the company takes advantage of the Securities and Exchange Commission s householding rules to reduce the delivery cost of materials. Under such rules, 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 the company has received contrary instructions from one or more of the stockholders. If a stockholder sharing an address wishes to receive a separate Notice or copy of the proxy materials, he or she may so request by contacting Broadridge Householding Department by phone at 1-800-579-1639 or by mail to Broadridge Householding Department, 51 Mercedes Way, Edgewood, New York 11717. A separate copy will be promptly provided following receipt of a stockholder s request, and such stockholder will receive separate materials in the future. 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 by contacting Broadridge Householding Department at the number or address shown above. **Additional copies of our annual report to stockholders, including the report on Form 10-K or 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.** If you own shares of stock through a bank, broker, trustee or other nominee and receive more than one Pitney Bowes annual report, please contact that entity to eliminate duplicate mailings.

Electronic Delivery of Annual Report and Proxy Statement

This proxy statement and our 2011 annual report may be viewed online at www.proxyvote.com. If you are a stockholder of record and receive the annual meeting material by mail, you can elect to receive future annual reports and proxy statements electronically or by following the instructions provided if you grant your proxy by Internet or by telephone. If you choose this option, 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.

Stockholder Proposals and Other Business for the 2013 Annual Meeting

If a stockholder wants to submit a proposal for inclusion in the company s proxy material for the 2013 annual meeting, which is scheduled to be held on Monday, May 13, 2013, it must be received by the corporate secretary by November 23, 2012. 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 13, 2013. There are other procedural requirements in the By-laws pertaining to stockholder proposals and director nominations. The By-laws are posted on the company s Corporate Governance website at www.pb.com under the caption Our Company-Leadership & Governance.

Corporate Governance

Stockholders are encouraged to visit the company s Corporate Governance website at www.pb.com under the caption Leadership & Governance for information concerning the company s 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. The company s Business Practices Guidelines, which is the company s Code of Ethics for employees, including the company s chief executive officer and chief financial officer, is also available on the company s 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.

Board of Directors

Leadership Structure

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 can review that structure from time to time. The company s chief executive officer also serves as the chairman of the board of directors. The board of directors has a Lead Director who is an independent member of the board of directors. In determining the appropriate leadership structure, the board of directors considered a number of factors, including the effectiveness of the role of independent Lead Director, the candor and dynamics of discussion among the directors and between directors and management, the facility with which directors influence the content of board meeting agendas, and the significance attributed by the company s external constituents in the worldwide postal markets to the title of chairman.

The board of directors believes that the leadership structure it has chosen for Pitney Bowes is appropriate in light of the constructive and candid nature of the discussion at board and committee meetings, as well as the directors freedom to participate in the agenda-setting process, the directors access to members of senior management outside the presence of the chief executive officer, and the robust role of the Lead Director.

The board of directors has established well-defined responsibilities, qualifications and selection criteria, and term and term limits with respect to the position of Lead Director. This information is set forth in detail in the Governance

Principles of the Board of Directors, which can be found on the company s website at www.pb.com under the caption Our Company-Leadership & Governance. A description of the Lead Director responsibilities and characteristics appears below. Additional information may be found in the Governance Principles of the Board of Directors.

In May 2008, the board of directors appointed James Keyes, one of the independent directors, to serve as the board s Lead Director for an initial term of two years. In May 2010 and May 2011, the board of directors appointed Mr. Keyes to serve as Lead Director for additional one-year terms. In February 2012, the board appointed Michael Roth to serve as Lead Director for an initial term of two years.

Responsibilities and Characteristics of the Lead Director

The Lead Director chairs meetings of the board of directors in executive session; acts as chairman of the board in situations where the chairman and chief executive officer is unable to serve in that capacity; briefs the chief executive officer, as needed, following discussions by the board in executive session; reviews, revises, and provides comment, as appropriate, concerning proposed agendas for meetings of the board of directors; reviews and provides comment, as appropriate, on draft minutes of board of directors meetings prior to their distribution to the full board; communicates informally with the other directors between meetings of the board to foster free and open dialog among directors; reviews and responds, as appropriate, in accordance with guidelines established by the board of directors to communications from stockholders and other interested parties; partners with the Chair of the Governance Committee to provide performance and other feedback to the chief executive officer following the annual joint meeting of the Governance and Executive Compensation Committees; and partners with the Chair of the Executive Compensation Committee to provide compensation information to the chief executive officer following meetings of the board of directors where compensation action is taken with respect to the chief executive officer.

The Lead Director must exhibit the following characteristics and skills: diplomacy, sound judgment, the ability to work collaboratively, to communicate effectively, with clarity and candor, and to recognize and act in accordance with an appropriate balance between (i) active mentor to the chief executive officer and communications aide to the board of directors, and (ii) maintaining an oversight (rather than management) perspective as a member of the board of directors.

Role of the Board of Directors in Risk Oversight

The board of the directors is responsible for oversight of the company s 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 enterprise risk are developed and monitored by management, including management risk owners and an oversight management risk committee.

Oversight responsibility for each of the company s 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 committee, with the exceptions of the Executive Committee and the Executive Compensation Committee, is responsible for oversight of one or more of the company s risks. Where possible, the assignments are made based upon, in each case, 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, 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 Committee is responsible for overseeing and reviewing on an ongoing basis the overall process by which management identifies and manages the company s risks. On an annual basis the board of directors receives a report on the status of all enterprise risks and their related plans.

Management monitors the company s 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, emerging risks.

The process for the board s oversight of mitigation of the company s enterprise risks was developed by the Governance Committee and presented to the board of directors for review and adoption and is reviewed and updated as appropriate from time to time.

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 the standards of independence, which are set forth in the Governance Principles of the

Board of Directors which are available on the company s website at www.pb.com under the caption Our Company-Leadership & Governance.

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, James H. Keyes, Eduardo R. Menascé, Michael I. Roth, David L. Shedlarz, David B. Snow, Jr. and Robert E. Weissman.

In making this determination, the board of directors considered that in the ordinary course of business, transactions may occur between Pitney Bowes and its subsidiaries and companies or other entities at which some of our directors are executive officers. Under the company s independence standards, business transactions meeting the following criteria are not considered to be material transactions that would impair a director s independence:

The director is an employee or executive officer of another company that does business with Pitney Bowes and our annual payments to or from that company in each of the last three fiscal years are in an amount less than the greater of $1 million or two percent of the annual consolidated gross revenues of the company by which the director is employed.

During 2011, Messrs. Adkins, Fradin, Roth, and Snow were employed at corporations with which Pitney Bowes engages in ordinary course of business transactions.

We reviewed all transactions with each of these entities and determined these transactions were made in the ordinary course of business and were below the threshold set forth in our director independence standards referenced above.

Communications with the Board of Directors

The board of directors has established procedures by which stockholders and other interested parties may communicate with the Lead Director, the Audit Committee chair, the independent directors, or the board. Such parties may communicate with the Lead Director via e-mail at lead.director@pb.com, with 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., 1 Elmcroft Road, MSC 65-19, Stamford, CT 06926-0700.

The board of directors has instructed the corporate secretary to assist the Lead Director, the 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 Lead Director;

(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 Lead Director. 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.

It is the longstanding practice and the policy of the board of directors that the directors attend the annual meeting of stockholders. All but one director attended the May 2011 annual meeting.

Board Committees and Meeting Attendance

During 2011, 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 2011, and the independent directors met in executive session, without any member of management in attendance, six times.

Members of the board of directors serve on one or more of the five committees described below. Mr. Martin serves as the chair 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. As the need arises, the board may establish ad hoc committees of the board to consider specific issues.

Name	Audit	Executive	Executive Compensation	Finance	Governance
Rodney C. Adkins	X			X	
Linda G. Alvarado				X	X
Anne M. Busquet	X			X	
Roger Fradin	X			X	
Anne Sutherland Fuchs	X		X		
James H. Keyes			X		X
Murray D. Martin		X *			
Eduardo R. Menascé		X	X*		X
Michael I. Roth	X	X		X *	
David L. Shedlarz	X *	X		X	
David B. Snow, Jr.		X	X		X*
Robert E. Weissman	- -	- -	X	- -	X
Number of meetings in 2011	6	0	7	5	5

* Committee Chair

The **Audit Committee** monitors the financial reporting standards and practices of the company and the company s internal financial controls to confirm compliance with the policies and objectives established by the board of directors and oversees the company s ethics and compliance programs. The committee appoints independent accountants to conduct the annual audits, and discusses with the company s 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 the company s internal accounting controls and the scope and results of the company s 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 board of directors has determined that the following members of the Audit Committee, Michael I. Roth and David L. Shedlarz are audit committee financial experts, as that term is defined by regulation of the Securities and Exchange Commission. All audit committee members are independent as independence for audit committee members is defined in the New York Stock Exchange standards.

The **Executive Committee** can act, to the extent permitted by applicable law and the company s Restated Certificate of Incorporation and its Bylaws, 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 **Executive Compensation Committee** is responsible for the company s executive compensation policies and programs. The committee chair frequently consults with, and the committee periodically meets in executive session with, Frederic W. Cook & Co., (FWC), its outside consultant. The committee recommends to all of the independent directors for final approval policies, programs and specific actions regarding the compensation of the chairman and the chief executive officer, and approves the same for all of the executive officers of the company. The committee also recommends the Compensation Discussion and Analysis for inclusion in the company s proxy statement, in accordance with the rules and regulations of the Securities and Exchange Commission, and reviews and approves allocations of shares in the company s employee stock plans in connection with the granting of stock and other stock based awards.

The **Finance Committee** reviews the company s financial condition, capital structure and evaluates significant financial policies and activities, oversees the company s major retirement programs, advises management and recommends financial action to the board of directors. The committee s duties include monitoring the company s current and projected financial condition, reviewing and approving major investment decisions including financing, mergers and acquisitions, and overseeing the financial operations of the company s retirement plans. The committee recommends for approval by the board of directors the establishment of new plans and any amendments that materially affect cost, benefit coverages, or liabilities of the plans.

The **Governance Committee** recommends nominees for election to the board of directors, determines the duties of and recommends membership in the board committees, reviews executives potential for growth, reviews and recommends to the board of directors the amount and form of compensation to non-employee members of the board, and, with the Lead Director and the chief executive officer, is responsible for succession planning and ensuring management continuity. The Governance Principles of the Board of Directors, which are posted on the company s website at www.pb.com under the caption Our Company-Leadership & 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 the Corporate Secretary, Pitney Bowes Inc., 1 Elmcroft Road, MSC 65-19, Stamford, CT 06926-0700. Recommendations submitted for consideration by the committee in preparation for the 2013 annual meeting of stockholders must be received by January 2, 2013, and 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 stockholder is a holder of the company s stock entitled to vote at the meeting; (iv) a statement in support of the stockholder s recommendation, including a description of the candidate s qualifications; (v) information regarding the candidate as would be required to be included in a proxy statement filed in accordance with the rules of the Securities and Exchange Commission; and (vi) the candidate s written, signed consent to serve if elected.

The Governance Committee evaluates candidates recommended by stockholders based on the same criteria it uses to evaluate candidates from other sources. The Governance Principles of the Board of Directors, which are posted on the company s Corporate Governance website at www.pb.com under the caption Our Company-Leadership & Governance, include a description of director qualifications. A discussion of the specific experience and qualifications identified by the committee for directors and nominees may be found under Director Qualifications on page 17 of this proxy statement.

If the Governance Committee believes that a potential candidate may be appropriate for recommendation to the board of directors, there is generally a mutual exploration process, during which the committee seeks to learn more about the candidate s qualifications, background and interest in serving on the board of directors, and the candidate has the opportunity to learn more about the company, the board, and its governance practices. The final selection of the board s nominees is within the sole discretion of the board of directors.

Alternatively, as referenced on page 7 of this proxy statement, stockholders intending to nominate a candidate for election by the stockholders at the meeting must comply with the procedures in Article II, Section 6 of the company s By-laws. The By-laws are posted on the company s Corporate Governance website at www.pb.com under the caption Our Company-Leadership & Governance.

Directors Compensation

Role of Governance Committee in Determining Director Compensation. In accordance with the Governance Principles of the Board, the Governance Committee reviews and recommends to the board of directors the amount and form of compensation to non-employee members of the board of directors. The Governance Committee reviews the director compensation policy periodically and may consult from time to time with a compensation consultant, selected and retained by the committee, as to the competitiveness of the program. The following is a summary of the director compensation program.

Directors   Fees. During 2011, each director who was not an employee of the company received an annual fee of $65,000 and a meeting fee of $1,500 for each board and committee meeting attended. Committee chairs (except for the Audit Committee chair) receive an additional $1,500 for each committee meeting that they chair, and the Audit Committee chair receives an additional $2,000 for each Audit Committee meeting chaired. The Lead Director receives an additional annual retainer of $10,000. All directors are reimbursed for their out-of-pocket expenses incurred in attending board and committee meetings.

The board of directors maintains directors stock ownership guidelines, requiring, among other things, that each director accumulate and retain a minimum of 7,500 shares of company common stock within five years of becoming a director of Pitney Bowes. All members of the board of directors are in compliance with these guidelines. The directors stock ownership guidelines are available on the company s Corporate Governance website at www.pb.com under the caption Our Company-Leadership & Governance.

Directors Stock Plan. Under the Directors Stock Plan, in 2011 each director who was not an employee of the company received an award of 2,200 shares of restricted stock which are fully vested upon grant. The shares carry full voting and dividend rights but, unless certain conditions are met, may not be transferred or alienated 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. The Directors Stock Plan permits certain dispositions of stock granted under the restricted stock program provided that the director effecting the disposition had accumulated and will retain 7,500 shares of common stock. Permitted dispositions are limited to: (i) transfer to a family member or family trust or partnership; and (ii) donations to charity after the expiration of six months from date of grant. The original restrictions would continue to apply to the donee except that a charitable donee would not be bound by the restriction relating to termination of service from the board of directors.

Ownership of shares granted under the Directors Stock Plan is reflected in the table on page 15 of this proxy statement showing security ownership of directors and executive officers.

Directors Deferred Incentive Savings Plan. The company maintains a Directors Deferred Incentive Savings Plan under which directors may defer all or part of the cash portion of their compensation. Deferred amounts will be notionally invested in any combination of several institutional investment funds. The investment choices available to directors under this plan are the same as those offered to employees under the company s 401(k) plan. Deferral elections made with respect to plan years prior to 2004 also included as an investment choice the ability to invest in options to purchase common stock of the company.

Stock options selected by directors as an investment vehicle for deferred compensation were granted through the Directors Stock Plan. The Directors Stock Plan permits the exercise of stock options granted after October 11, 1999 during the full remaining term of the stock option by directors who have terminated service on the board of directors, provided that service on the board is terminated: (i) after ten years of service on the board; (ii) due to director s death or disability; or (iii) due to the director having attained mandatory directors retirement age. The stock options may be exercised for three months following termination for any other reason. The Directors Stock Plan also permits the donation of vested stock options, regardless of the date of grant, to family members and family trusts or partnerships. All outstanding stock options are fully vested.

Directors Retirement Plan. The company s Directors Retirement Plan was discontinued, and the benefits previously earned by directors were frozen as of May 12, 1997.

Under this plan, there is no benefit paid to a director who served for less than five years as of May 12, 1997. A director who had met the five-year minimum vesting requirement as of May 12, 1997 would receive an annual retirement benefit calculated as 50% of the director s retainer in effect as of May 12, 1997, and a director with more than five years of service at retirement would receive an additional ten percent of such retainer for each year of service over five, to a maximum of 100% of such retainer for ten or more years of service. The annual retainer fee in effect as of May 12, 1997, was $30,000. The annual retirement benefit is paid for life.

Linda G. Alvarado is the only current director who is eligible to receive a retirement benefit under the plan after termination of service on the board of directors. She had completed five years of service as a director as of the date the plan was frozen, and will therefore receive an annual benefit of $15,000.

12

DIRECTOR COMPENSATION FOR 2011

Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)[2]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[3]	All Other

	Compensation ($)[4]	Total ($)
Mr. Adkins		89,000
		54,263
		0
		0
		143,263
Ms. Alvarado		

90,500

54,263

14,512

0

159,275

Ms. Busquet

92,000

54,263

0

5,000

151,263

Ms. Fuchs

93,500

54,263

	0
	0
	147,763
Mr. Green(5)	
	40,000
	0
	0
	0

	40,000
Mr. Keyes	
	115,500
	54,263
	0
	0
	169,763

Mr. Menascé	
	92,000
	54,263
	0
	0
	146,263
Mr. Roth	
	101,000

54,263

0

5,000

160,263

Mr. Shedlarz

104,000

54,263

	0
	0
	158,263
Mr. Snow	
	87,500
	54,263
	0

0

141,763

Mr. Weissman

92,000

54,263

0

0

146,263

(1) Each non-employee director receives an annual retainer of $65,000 ($16,250 per quarter) and a meeting fee of $1,500 for each board and committee meeting attended. Committee chairs (except for the Audit Committee chair) receive an additional $1,500 for each committee meeting that they chair, and the Audit Committee chair receives an additional $2,000 for each Audit Committee meeting chaired. The Lead Director receives an additional annual retainer of $10,000.

(2) On May 9, 2011, each non-employee director then serving received an award of 2,200 shares of restricted stock.

The fair market value of the restricted share awards was calculated using the average of the high and low stock price, $24.78 and $24.55, respectively, as reported on the New York Stock Exchange on May 9, 2011, the date of grant. The closing price on May 9, 2011 on the New York Stock Exchange was $24.74. The grant date fair market value of the restricted stock awards was computed in accordance with the share-based payment accounting guidance under ASC 718. The aggregate number of shares of restricted stock held by each director as of December 31, 2011 is as follows: Mr. Adkins 10,343 shares; Ms. Alvarado 29,000 shares; Ms. Busquet 9,922 shares; Ms. Fuchs 13,363 shares;

Mr. Keyes 24,000 shares; Mr. Menascé 18,992 shares; Mr. Roth 25,800 shares; Mr. Shedlarz 18,992 shares; Mr. Snow 12,400 shares; and Mr. Weissman 18,992 shares. Stock options were not awarded to non-employee directors during 2011. Stock options formerly were available to non-employee directors as an investment choice under the Directors Deferred Incentive Savings Plan. Cash fees deferred with respect to plan years prior to 2004 could be invested in options to purchase common stock of the company. The aggregate number of stock options held by each director as of December 31, 2011 is as follows: Mr. Weissman 1,789.

(3)

Ms. Alvarado is the only non-employee director who served on the board of directors during 2011 eligible to receive payments from the now-suspended Directors Retirement Plan. Ms. Alvarado is eligible to receive payments upon her retirement from the board of directors.

(4) Ms. Busquet and Mr. Roth utilized the Pitney Bowes Non-Employee Director Matching Gift Program during 2011. The company matches individual contributions by current and retired non-employee directors, dollar for dollar to a maximum of $5,000 per board member per calendar year.

(5) Mr. Green retired in May 2011.

Certain Relationships and Related-Person Transactions

The board of directors has a written Policy on Approval and Ratification of Related-Person Transactions which states that the Governance Committee of the board of directors of Pitney Bowes Inc. is responsible for reviewing and approving any related-person transactions between Pitney Bowes and its directors, nominees for director, executive officers, beneficial owners of more than five percent of any class of Pitney Bowes voting stock and their immediate family members as defined by the rules and regulations of the Securities and Exchange Commission (related persons). It is the expectation and policy of the board of directors that all related-person transactions will be at arms length and on terms that are fair to the company.

Under the related-person transaction approval policy, any newly proposed transaction between Pitney Bowes and a related person must be submitted to the Governance Committee for approval if the amount involved in the transaction is greater than $120,000. Any related-person transactions that have not been pre-approved by the Governance Committee must be submitted for ratification as soon as they are identified. Ongoing related-person transactions are reviewed on an annual basis. The material facts of the transaction and the related person s interest in the transaction must be disclosed to the Governance Committee.

If the proposed transaction involves a related person who is a Pitney Bowes director or an immediate family member of a director, that director may not participate in the deliberations or vote regarding approval or ratification of the transaction but may be counted for the purposes of determining a quorum.

The following related-person transactions do not require approval by the Governance Committee:

1. Any transaction with another company with which a related person s only relationship is as an employee or beneficial owner of less than ten percent of that company s shares, if the aggregate amount invested does not exceed the greater of $1 million or two percent of that company s consolidated

gross revenues;

2. A relationship with a firm, corporation or other entity that engages in a transaction with Pitney Bowes where the related person s interest in the transaction arises only from his or her position as a director or limited partner of the other entity that is party to the transaction;

3. Any charitable contribution by Pitney Bowes to a charitable organization where a related person is an officer, director or trustee, if the aggregate amount involved does not exceed the greater of $1 million or two percent of the charitable organization s consolidated gross

revenues;

4. Any transaction involving a related person where the rates or charges involved are determined by competitive bids; and

5. Any transaction with a related person involving services as a bank depositary of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

The Governance Committee may delegate authority to approve related-person transactions to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any approval or ratification decisions to the Governance Committee at its next scheduled meeting.

Compensation Committee Interlocks and Insider Participation

During 2011, there were no compensation committee interlocks and no insider participation in Executive Compensation Committee decisions that were required to be reported under the rules and regulations of the Securities Exchange Act of 1934, as amended.

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

Title of Class of Stock	Name of Beneficial Owner	Shares Deemed to be Beneficially Owned(1)(2)(3)(4)	Options Exercisable Within 60 Days(5)	% of Class
Common	Rodney C. Adkins	10,568	0	*
Common	Linda G. Alvarado	33,028	0	*
Common	Anne M. Busquet	11,482	0	*
Common	Roger Fradin	5,597	0	*
Common	Anne Sutherland Fuchs	14,363	0	*
Common	James H. Keyes	26,102	0	*
Common	Eduardo R. Menascé	19,692	0	*
Common	Michael I. Roth	34,250	0	*
Common	David L. Shedlarz	21,492	0	*
Common	David B. Snow, Jr.	13,400	0	*
Common	Robert E. Weissman	28,354	1,789	*
Common	Murray D. Martin	2,678,744	2,522,326	1.33 %
Common	Michael Monahan	501,361	467,457	*
Common	Leslie Abi-Karam	475,390	452,542	*
Common	Vicki A. O Meara	162,274	151,109	*
Common	Johnna G. Torsone	413,573	377,645	*
Common	**All executive officers and directors as a group (20)**	**4,923,843**	**4,406,085**	**2.46 %**

* Less than 1% of Pitney Bowes Inc. common stock.

(1) These shares represent common stock beneficially owned as of March 1, 2012 and shares for which such person has the right to acquire

beneficial ownership within 60 days thereafter. To our knowledge, none of these shares are pledged as security. There were 200,124,037 of our shares outstanding as of March 1, 2012.

(2) Other than with respect to ownership by family members, the reporting persons have sole voting and investment power with respect to the shares listed.

(3) Includes shares that are held indirectly through the Pitney Bowes 401(k) Plan and its related excess plan.

(4) Includes, with respect to Mr. Martin, 38,560 shares held

in a grantor retained annuity trust.

(5) The director or executive officer has the right to acquire beneficial ownership of this number of shares within 60 days of March 1, 2012 by exercising outstanding stock options. Amounts in this column are also included in the column titled Shares Deemed to be Beneficially Owned.

Beneficial Ownership

The only persons or groups known to the company to be the beneficial owners of more than five percent of any class of the company s voting securities are reflected in the chart below. The following information is based solely upon Schedules 13G and amendments thereto filed by the entities shown with the Securities and Exchange Commission as of the date appearing below.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership of Common	Percent of Common(1)
State Street Corporation State Street Financial Center One Lincoln Street Boston, MA 02111	25,343,954(2)	12.7%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	16,287,856(3)	8.16%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	12,756,164(4)	6.38%
Allianz Global Investors Capital LLC 600 West Broadway, Suite 2900 San Diego, CA 92101	10,995,200(5)	5.5%
NFJ Investment Group LLC 2100 Ross Avenue, Suite 700 Dallas, TX 75201		
Capital Research Global Investors 333 South Hope Street Los Angeles, CA 90071	10,135,127(6)	5.1%

(1) There were 199,751,070 of our shares outstanding as of December 31, 2011.

(2) As of December 31, 2011, State

Street Corporation disclosed shared investment and voting power with respect to 25,343,954 shares. SSgA Funds Management, Inc., an investment advisor subsidiary of State Street Corporation, disclosed shared voting power and shared investment power of 19,777,309 shares. The foregoing information is based on a Schedule 13G filed with the SEC on February 9, 2012.

(3) As of December 30, 2011, BlackRock, Inc. disclosed sole investment power and sole voting power with respect to 16,287,856 shares. The foregoing information is based on a

Schedule 13G filed with the SEC on February 10, 2012.

(4) As of December 31, 2011, The Vanguard Group, Inc., an investment advisor, disclosed sole investment power with respect to 12,486,878 shares, shared investment power with respect to 269,286 shares and sole voting power with respect to 269,286 shares. The foregoing information is based on a Schedule 13G filed with the SEC on February 9, 2012.

(5) As of December 31, 2011, NFJ Investment Group LLC (NFJ), an investment advisor, disclosed sole investment power with respect to 10,995,200

shares and sole voting power with respect to 8,929,000 of these shares. Because Allianz Global Investors Capital LLC (Allianz) is the parent holding company of NFJ, Allianz may be deemed to beneficially own the securities held by NFJ s clients or accounts. The foregoing information is based on a Schedule 13G filed with the SEC on February 13, 2012.

(6) As of December 30, 2011, Capital Research Global Investors, an investment advisor, disclosed sole investment power with respect to 10,135,127 shares and sole voting power with respect to 6,135,127 of

these shares. The foregoing information is based on a Schedule 13G filed with the SEC on February 9, 2012.

Section 16(a) Beneficial Ownership Reporting Compliance

Directors and persons who are considered officers of the company for purposes of Section 16(a) of the Securities Exchange Act of 1934 and greater than ten percent stockholders (Reporting Persons) are required to file reports with the Securities and Exchange Commission showing their holdings of and transactions in the company s securities. It is generally the practice of the company to file the forms on behalf of its Reporting Persons who are directors or officers. The company believes that all such forms have been timely filed for 2011.

Proposal 1: Election of Directors

Director Qualifications

The board of directors believes that, as a whole, the board should include individuals with a diverse range of experience to give the board depth and breadth in the mix of skills represented for the board to oversee management on behalf of the company s stockholders. In addition, the board of directors believes that there are certain attributes that each director should possess, as described below. Therefore, the board of directors and the Governance Committee consider the qualifications of directors and nominees both individually and in the context of the overall composition of the board of directors.

The board of directors, with the assistance of the Governance Committee, is responsible for assembling appropriate experience and capabilities within its membership as a whole, including financial literacy and expertise needed for the Audit Committee as required by applicable law and New York Stock Exchange listing standards. Among the other criteria applicable to all directors, which are set forth in the Governance Principles of the Board of Directors, are integrity and ethics, business acumen, sound judgment, and the ability to commit sufficient time and attention to the activities of the board of directors, as well as the absence of any conflicts with the company s interests. The Governance Committee is responsible for reviewing and revising, as needed, criteria for the selection of directors. It also reviews and updates, from time to time, the board candidate profile used in the context of a director search, in light of the current and anticipated needs of the company and the experience and talent then represented on the board of directors. The Governance Committee reviews the qualifications of director candidates in light of the criteria approved by the board of directors and recommends candidates to the board for election by the stockholders at the Annual Stockholders Meeting.

The Governance Committee seeks to include individuals with a variety of occupational and personal backgrounds on the board of directors in order to obtain a range of viewpoints and perspectives and to enhance the diversity of the board of directors in such areas as experience and geography, as well as race, gender, ethnicity and age.

Among other things, the board of directors has determined that it is important that the board should include members with the following skills and experiences:

Financial acumen for evaluation of the company s financial statements and capital structure.

Significant international experience and *experience with emerging markets* to help oversee the company s global operations.

Software and technology acumen, coupled with in-depth understanding of the company s business and markets, to provide counsel and oversight with regard to the company s strategy.

Significant operating experience, providing the company with specific insight into developing, implementing and assessing the company s operating plan and business strategy.

Human resources experience, including executive compensation experience to help the company attract, motivate and retain world-class talent.

Corporate governance

experience at publicly traded companies to support the goals of greater transparency, accountability for management and the board, and protection of stockholder interests.

Understanding of customer communications and marketing channels to support the company s customer focus and customer communications and marketing strategy.

The Governance Committee assesses the effectiveness of its criteria when evaluating and recommending new candidates.

Each director brings experience and skills that complement those of the other directors. The board of directors believes that all the directors nominated for election or continuing to serve are highly qualified, and have the attributes, skills and experience required for service on the board of directors. Additional information about each director is included with biographical information for each appearing below.

Nominees for Election

Prior to the 2010 Annual Meeting of Stockholders our board of directors was divided into three classes. Each class consisted, as nearly as possible, of one-third of the total number of directors, and each class had a three-year term ending in successive years. At the 2010 Annual Meeting of Stockholders, a proposal by our board of directors to amend the company s Certificate and the company s By-laws to phase out the classification of the board of directors, to provide instead for the annual election of directors, and to make such other conforming and technical changes to the Certificate and By-laws as may be necessary or appropriate was approved by the stockholders. The amended Certificate effecting such changes was filed with the Secretary of State of the State of Delaware on May 12, 2010. The amended Certificate provides for the annual election of directors beginning at the 2011 Annual Meeting of Stockholders. However, any director elected by the stockholders of the company to a three-year term prior to the 2011 Annual Meeting of Stockholders may complete the term to which he or she has been elected.

The board of directors presently has twelve members. There are ten directors whose term of office expires in 2012. Each of the nominees for election at the 2012 Annual Meeting of Stockholders is currently a director of the company and was selected by the board of directors as a nominee in accordance with the recommendation of the Governance Committee. If elected at the 2012 Annual Meeting of Stockholders, each of the nominees would serve until the 2013 Annual Meeting of Stockholders and until his or her successor is elected and has qualified, or until such director s death, resignation or removal.

Ms. Alvarado, and Mr. Menascé were elected in 2010 to three-year terms expiring at the 2013 annual meeting. For the 2012 annual meeting, the Governance Committee recommended to the board of directors, and the board approved, the nomination of Mr. Adkins, Ms. Busquet, Mr. Fradin, Ms. Fuchs, Mr. Keyes, Mr. Martin, Mr. Roth, Mr. Shedlarz, Mr. Snow, and Mr. Weissman to one-year terms expiring at the 2013 annual meeting.

Information about each nominee for director and each incumbent director, including the nominee s or incumbent s age, as of March 1, 2012, is set forth beginning on page 19 of this proxy statement. Unless otherwise indicated, each nominee or incumbent has held his or her present position for at least five years.

Should you choose not to vote for a nominee, you may list on the proxy the name of the nominee for whom you choose not to vote and mark your proxy under proposal 1 for all other nominees, or grant your proxy by telephone or the Internet as described in the proxy voting instructions. Should any nominee become unable to accept nomination or election as a director (which is not now anticipated), the persons named in the enclosed proxy will vote for such substitute nominee as may be selected by the board of directors, unless the size of the board is reduced. At the annual meeting, proxies cannot be voted for more than the ten director nominees.

Vote Required

In accordance with the company s By-laws, in an uncontested election, a majority of the votes cast is required for the election of directors. Our 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 such 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 that stockholders vote FOR the election of the following nominees:

NOMINEES FOR ELECTION TO TERMS EXPIRING AT THE 2013 ANNUAL MEETING

Rodney C. Adkins, 53, senior vice president, Systems and Technology Group, International Business Machines Corporation (IBM), a leading manufacturer of information technologies, since October, 2009. The Systems and Technology Group encompasses all aspects of IBM s semiconductor, server, storage, system software and retail store solutions businesses. Formerly senior vice president, development & manufacturing, May 2007 October 2009, and vice president of development, December 2003 May 2007, IBM Systems and Technology Group. Pitney Bowes director since 2007.

As a senior executive of a public technology company, Mr. Adkins brings to the board of directors a broad range of experience, including emerging technologies and services, global business operations, international and emerging markets, and product development.

Anne M. Busquet, 62, principal of AMB Advisors, LLC, an independent consulting firm; former chief executive officer, IAC Local & Media Services, a division of IAC/Interactive Corp., an Internet commerce conglomerate, 2004 2006. Pitney Bowes director since 2007. (Also a director of Blyth, Inc. and Meetic S.A.)

Ms. Busquet has experience as a senior public company executive, including as American Express Company Division President, leading global interactive services initiatives. As former chief executive officer of the Local and Media Services unit of InterActiveCorp, she has experience in electronic media, communications and marketing. In addition, Ms. Busquet brings to the board of directors her substantial operational experience, including in international markets, marketing channels, emerging technologies and services, and product development.

Roger Fradin, 58, president and chief executive officer of Honeywell Automation and Control Solutions, Honeywell International, Inc., a diversified technology and manufacturing company. Pitney Bowes director since February 1, 2012. (Also a director of MSC Industrial Direct Co., Inc.)

As the chief executive officer of a $15 billion division of a major diversified technology and manufacturing company, Mr. Fradin brings to the board substantial operational experience, financial expertise, and experience in capital markets, product development, and marketing, including in international markets. He possesses a strong entrepreneurial background, with experience in driving robust growth for businesses under his leadership, and has deep experience in entering new markets, both organically and through acquisition.

Anne Sutherland Fuchs, 64, group president, Growth Brands Division, Digital Ventures, a division of J.C. Penney Company, Inc., a retailer, since November 2010. Formerly, a consultant to private equity firms. Chair of the Commission on Women s Issues for New York City since 2002. Pitney Bowes director since 2005. (Also a director of Gartner, Inc.)

Ms. Fuchs has experience as a senior executive with operational responsibility within the media and marketing industries, as well as experience as global chief executive officer of a unit of LMVH Moet Hennessy Louis Vuitton. Her experience in the publishing industry includes senior level operational roles at Hearst, Conde Nast, Hachette and CBS. She possesses experience in product development, marketing and branding, international operations, as well as in human resources and executive compensation. Her experience in managing a number of well-known magazines contributes to her knowledge and understanding of businesses closely tied to the mailing industry. Her work for the City of New York has further informed her understanding of government operations and government partnerships with the private sector.

James H. Keyes, 71, retired chairman, Johnson Controls, Inc., a supplier of automotive systems and facility management and control. Pitney Bowes director since 1998. (Also a director of Navistar International Corporation and a trustee of Fidelity Funds. Formerly a director of LSI Logic Corporation.)

Mr. Keyes has broad experience as former chief executive officer of a public company, experience as a certified public accountant, and experience as a member of other public company boards of directors. He brings to the board of directors his substantial operational experience, financial expertise, experience in capital markets, international markets, corporate governance, and human resources and executive compensation.

Murray D. Martin, 64, chairman, president and chief executive officer of Pitney Bowes Inc. since January 2009; president and chief executive officer, May 2007 December 2008; president and chief operating officer, October 2004 May 2007. Pitney Bowes director since 2007. (Also a director of The Brink s Company.)

Mr. Martin has extensive experience in business operations, finance, international and emerging markets, emerging technologies and services, customer communications and marketing channels, human resources and executive compensation, regulatory and government affairs, and product development. With more than twenty years of management experience with Pitney Bowes, Mr. Martin possesses in-depth knowledge and understanding of the company s business operations, technologies and customers.

Michael I. Roth, 66, chairman and chief executive officer, The Interpublic Group of Companies, Inc., a global marketing communications and marketing services company. Pitney Bowes director since 1995. (Also a director of Gaylord Entertainment Company and The Interpublic Group of Companies, Inc.)

Mr. Roth has broad experience as the chief executive officer of a public company and as a member of other public company boards of directors, as well as previous experience as a certified public accountant and attorney. In addition to his experience as chief executive officer of the Interpublic Group of Companies, his experience includes service as the chief executive officer of The MONY Group Inc. prior to its acquisition by AXA Financial, Inc. He brings to the board of directors his deep financial expertise, and experience in business operations, capital markets, international markets, emerging technologies and services, marketing channels, corporate governance, and executive compensation.

David L. Shedlarz, 63, retired vice chairman of Pfizer Inc., a pharmaceutical, consumer and animal products health company. Formerly vice chairman of Pfizer Inc., 2005 2007; executive vice president and chief financial officer, 1999 2005, Pfizer Inc. Pitney Bowes director since 2001. (Also a director of Teachers Insurance and Annuity Association and The Hershey Company.)

Mr. Shedlarz has broad experience as a former senior executive of a public company, experience as a former chief financial officer and as a member of other public company boards of directors. He possesses financial expertise, knowledge of business operations and capital markets, international markets, emerging technologies and services, customer communications and marketing channels, human resources and executive compensation, regulatory and government affairs, product development, and corporate governance.

David B. Snow, Jr., 57, chairman and chief executive officer of Medco Health Solutions, Inc., a leading pharmacy benefit manager. Pitney Bowes director since 2006. (Also a director of Medco Health Solutions, Inc.)

In addition to his experience as the chief executive officer of a public company, Mr. Snow has a strong background in operations, having served in senior leadership positions at several companies including WellChoice (Empire Blue Cross Blue Shield) and Oxford Health Plans. Mr. Snow also brings to the board of directors a broad range of experience, including finance and capital markets, emerging technologies, customer communications and marketing channels, human resources and executive compensation, regulatory and government affairs, corporate governance, and product development.

Robert E. Weissman, 71, retired chairman, IMS Health Incorporated, a leading provider of information solutions to the pharmaceutical and healthcare industries. Pitney Bowes director since 2001. (Also a director of Cognizant Technology Solutions Corporation, Information Services Group, Inc. and State Street Corporation.)

Mr. Weissman has broad experience as the former chief executive officer of several public companies, including IMS Health Incorporated, Cognizant Corp. and Dun & Bradstreet, as well as experience as a member of other public company boards of directors. He brings to the board of directors his financial expertise, extensive understanding of business operations, including international operations, capital markets, emerging technologies and services, corporate governance, and executive compensation.

INCUMBENT DIRECTORS WHOSE TERMS EXPIRE AT THE 2013 ANNUAL MEETING

Linda G. Alvarado, 60, president and chief executive officer of Alvarado Construction, Inc., a Denver-based commercial general contractor, construction management and development firm. Alvarado Construction has successfully developed and constructed numerous multi-million dollar commercial, government, transportation, office, communications, energy, retail, heavy engineering, utility, and technology projects throughout the United States and Latin America. Ms. Alvarado is also co-owner of the Colorado Rockies Major League Baseball Club and President of Palo Alto, Inc. which owns and operates YUM! Brands restaurants in multiple states. Pitney Bowes director since 1992. (Also a director of 3M Company. Formerly a director of Lennox International Inc., The Pepsi Bottling Group Inc. and Qwest Communications International Inc.)

As a principal of several diverse businesses, Ms. Alvarado brings to the board of directors her significant operational experience, as well as an understanding of marketing, finance and human resources issues. Her experience as a member of other public company boards of directors contributes to her understanding of global public company issues, including those relating to international markets and government affairs.

Eduardo R. Menascé, 66, retired president, Enterprise Solutions Group, Verizon Communications Inc., a leading provider of wireline and wireless communications. Pitney Bowes director since 2001. (Also a director of John Wiley & Sons, Inc., Hill-Rom Holdings, Inc. and Hillenbrand, Inc. Formerly a director of KeyCorp.)

Mr. Menascé has broad experience as a former senior executive responsible for a significant international operation of a public company, as well as experience in senior leadership positions with a number of European and Latin American businesses, including business operations, finance and capital markets, international and emerging markets, technology, customer communications and marketing channels, and executive compensation. His experience on other public company boards and as a director of the New York chapter of the National Association of Corporate Directors contributes to his knowledge of public company matters.

Report of the Audit Committee

The Audit Committee functions pursuant to a charter that is reviewed annually and was last amended in February 2012. The committee represents and assists the board of directors in overseeing the financial reporting process and the integrity of the company s financial statements. The committee is responsible for retaining the independent accountants and pre-approving the services they will perform, and for reviewing the performance of the independent accountants and the company s internal audit function. The board of directors, in its business judgment, has determined that all six of the members of the committee are independent, as required by applicable listing standards of the New York Stock Exchange.

In the performance of its responsibilities, the committee has reviewed and discussed the audited financial statements with management and the independent accountants. The committee has also discussed with the independent accountants the matters required to be discussed under the rules adopted by the Public Company Accounting Oversight Board. Finally, the committee has received the written disclosures and the letter from the independent accountants required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountants communications with the audit committee concerning independence, and has discussed with the independent accountants their independence.

Based upon the review of information received and discussions as described in this report, the committee recommended to the board of directors that the audited financial statements be included in the company s Annual Report on Form 10-K for the year ended December 31, 2011, as filed with the Securities and Exchange Commission on February 23, 2012.

By the Audit Committee of the board of directors,

David L. Shedlarz, Chair
Rodney C. Adkins
Anne M. Busquet
Roger Fradin
Anne Sutherland Fuchs
Michael I. Roth

Proposal 2: Ratification of the Audit Committee s Appointment of the Independent Accountants for 2012

The Audit Committee has appointed Pricewaterhouse-Coopers LLP (PricewaterhouseCoopers) as the independent accountants for Pitney Bowes for 2012. Although not required by law, as a matter of good corporate governance this matter is being submitted to the stockholders for ratification. If this proposal is not ratified at the annual meeting by the affirmative vote of a majority of the votes cast, the Audit Committee intends to reconsider its appointment of PricewaterhouseCoo-pers as its independent accountants. Pricewaterhouse-Coopers has no direct or indirect financial interest in Pitney Bowes or any of its subsidiaries. A representative from PricewaterhouseCoopers will attend the annual meeting and will be available to respond to appropriate questions and will have the opportunity to make a statement if he or she desires to do so.

Principal Accountant Fees and Services

Aggregate fees billed for professional services rendered for the company by PricewaterhouseCoopers for the years ended December 31, 2011 and 2010, were (in millions):

	2011	2010

Audit	$	7.4	$	7.3
Audit-Related		.8		.5
Tax		.6		.9
All Other		.2		
Total	$	9.0	$	8.7

The Audit fees for the years ended December 31, 2011 and 2010 were for services rendered for the audits of the consolidated financial statements and internal control over financial reporting of the company and selected subsidiaries, statutory audits, consents, income tax provision procedures, and assistance with review of documents filed with the Securities and Exchange Commission.

The Audit-Related fees for the years ended December 31, 2011 and 2010 were for assurance and related services related to employee benefit plan audits, procedures performed for SSAE 16 reports, attestation services pertaining to financial reporting that are not required by statute or regulation and consultations concerning financial accounting and reporting standards.

The Tax fees for the years ended December 31, 2011 and 2010 were for services related to tax compliance, including the preparation and/or review of tax returns and claims for refunds.