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Dear Shareholder,

I am pleased to announce that our General Shareholders' Meeting will take place on June 30, 2017 when convened for the first time.

At the meeting, you will be asked to approve twenty-seven resolutions, twelve ordinary and fifteen extraordinary. The full wording of these resolutions is available on our web site.

The purpose of this letter is to provide you with additional information on some of the resolutions:

- Resolution 6 – Ordinary General Meeting – concerning the compensation granted to the Chairman and CEO, Mr Denis Thiery, in respect of the financial year ending on January 31, 2017;
- Resolution 7 – Ordinary General Meeting – concerning the remuneration policy for the Chairman and CEO, Mr Denis Thiery
- Resolutions 8 to 11 – Ordinary General Meeting – changes in the composition of the board of directors
- Resolutions 13 to 23 – Extraordinary General Meeting – concerning the authorizations to be granted to the Board of Directors with a view to issuing shares and/or securities;
- Resolution 24 – Extraordinary General Meeting – concerning the new long-term incentive plan.

1 Sixth resolution: Compensation of the Chairman & CEO in respect of FY 2016

The remuneration policy of the Chairman & CEO is based on his role at Neopost, his experience, his seniority, his performances as well as the market practices.

Every year, the Remuneration Committee uses surveys produced by Willis Towers Watson to determine references on compensation for the entire Management Committee. Regarding the compensation of the Chairman & CEO, the Committee refers to a panel composed of some 15 companies with a business activity, market capitalization, sales and workforce similar to those of Neopost. The compensation of Mr Denis Thiery, both in its structure and amount, is consistent with the practices of this panel.

The compensation of the Chairman & CEO includes a fixed part and a variable part. Given the time spent by the Chairman & CEO in the United States owing to the country's importance for Neopost, approximately 20% of the fixed and variable remuneration of Denis Thiery is paid in US dollars.

In 2016, the annual fixed remuneration of the Chairman & CEO, Mr Denis Thiery, was the same as that in 2015, i.e. €663,000.

The variable annual remuneration of Mr Denis Thiery, Chairman & CEO, is determined according to the attainment of quantitative targets with respect to Group sales, operating margin and capital employed (80%), as well as precise qualitative targets (20%). For 2016, the qualitative targets were as follows:

- the clarification of the strategy of Communication & Shipping Solutions activities;
- the clarification of the acquisition strategy with a view to accelerating the transformation of Neopost;
- above-budget organic growth in the Communication & Shipping Solutions activities;
- a resilient sales performance by the traditional network;
- a reduction in the costs of the traditional network;
- the repositioning of financial communication;
- the renewal of the Board of Directors;
- and the coaching and development of the management team.

Each of these criteria is given an equal weighting of 12.5%.

In addition, the upper and lower limits of this variable component are expressed as a percentage of the fixed remuneration awarded, with a pre-set ceiling of 150%.

The variable annual remuneration of Mr Denis Thiery in respect of 2016 amounted to €562,091, for a performance measured at 84.78%. The overall percentage breaks down into a performance of 70.3% on Group criteria (see below) and an individual performance of 142.70% as determined by the Remuneration Committee. Most of the qualitative criteria were achieved above target.The breakdown of the 142.70% calculation is not disclosed owing to the confidential nature of the assessment of some of the criteria.

The quantitative criteria for the Group for 2016 were:

Weighting	*Criteria*	*Lower limit (0.0%)*	*Target (100%)*	*Maximum (150%)*
40%	Sales	1,116.9	1,175.7	1,210.9
40%	EBIT	18.4%	19.7%	20.4%
20%	Capital employed	(37.2)	(41.3)	(45.5)

Actual performance was as follows:

Weighting	*Criteria*	*Actual**	*Performance*	*Bonus*
40%	Sales	1,163.1	99%	79%
40%	EBIT	18.7%	95%	22%
20%	Capital employed	(47.2)	114%	150%
			Total	**70.3%**

*Performance measured taking into account the exchange rates applied when establishing the criteria and excluding acquisitions.

The long-term portion of the Chairman and CEO's compensation is comprised exclusively of bonus share plans with performance conditions.

Concerning the plans established before 2016, shares are vested at the end of the second and third years of each plan, subject to the fulfillment of a number of performance criteria (see section 5 below). Performance is assessed after two years based on the average for the first two years, and after three years based on the average of the first three years.

Starting in 2016, the plans provide for the acquisition of shares following a vesting period of three years, subject to the fulfillment of a number of performance criteria, also assessed over a three-year period. These long-term incentive plans also apply to all the members of the Management Committee. It is important to note that the 2013 plan achieved a performance ratio of 3.3% (first tranche and second tranche) and that the 2014 plan did not give rise to share awards (first tranche and second tranche). This demonstrates the relevance and credibility of the performance criteria and thresholds defined, which are aligned with the Group's strategic objectives.

Moreover, the granting to the Chairman & CEO has never exceeded 1.5 times his basic salary and it is capped at 20% of the overall share grants. 34,000 shares were granted to Mr Denis Thiery regarding the 2016 plan i.e. a charge of 286,144 euros using IFRS valuation method. This number is lower than the number of shares granted in 2015 (40,000) in order to keep the total number (40,000+34,000) below the 20% threshold.

In addition, Mr Denis Thiery receives 30,000 euros in director's fees for the corporate mandate that he exercises at Neopost S.A.

The supplementary pension scheme of the Chairman and CEO, as with that of the salaried members of the Executive Committee of Neopost S.A., is composed of a defined-contribution plan (Article 83 of the French General Tax Code), with a total contribution of 5% of remuneration, subject to a limit of five times the Social Security ceiling, as well as a defined-benefits plan (Article 39 of the French General Tax Code) with a guaranteed annuity of 1.1 % of remuneration for each year of employment for a minimum of eight years and a maximum of 20 years. This annuity is paid after the deduction of the annuities paid by the usual defined contribution plans.

At January 31, 2017, the overall estimated amount of the annuity attributed to the Chairman & CEO would be €210,783 in respect of the supplementary pension scheme, of which 201,482 regarding article 39 and 9,301 regarding article 83. To benefit from the annuity coming from article 39, the Chairman & CEO must definitively end his career, be a member of the Neopost S.A. workforce at the date of retirement, and claim his pension rights from the Social Security pension scheme and supplementary pension schemes.

The amount accounted for pensions is not individualized.

For further details, please refer to the "Board of Directors' report to the Ordinary General Meeting – Chairman & CEO's remuneration", prepared in accordance with the Afep/Medef Code and published on our website.

Mr Denis Thiery's remuneration in the last three years

	2014	2015	2016
Fixed salary	663.0	663.0	663.0
Variable in respect of current year **(paid Y+1)**	508.7	383.5	562.1
Director's fees	30.0	30.0	30.0
Benefits in kind	14.4	22.6	23.2
Sub-total payment in cash	**1,216.1**	**1,099.1**	**1,278.3**
Annual change	***-13.3%***	***-9.6%***	***16.3%***
Number of bonus shares acquired in year	20,580(1)	4,959(2)	0(3)
Valuation of bonus shares	1,210.9	254.0	0.0
TOTAL REMUNERATION	**2,427.0**	**1,353.1**	**1,278.3**
Annual change	***17.44%***	***-44.25%***	***-5.53%***

(1) Performance of 2011 plan (tranche 2) and 2012 plan (tranche 1)
(2) Performance of 2012 plan (tranche 2) and 2013 plan (tranche1)
(3) Performance of 2013 plan (tranche 2) and 2014 plan (tranche 1)

The fixed remuneration is divided in 2 parts: 530,400 euros paid in euros in France and 172,380 US dollars paid in the USA (corresponding to 20% of the 2013 total fixed remuneration in euro converted with the exchange rate at the time, i.e., 1.30). The US part was frozen, considering that it does not have to evolve according to the EUR/USD exchange rate.

Total return to shareholder during the same period

Value of Neopost share at January 31	59.7	43.7	22.1
Value of Neopost share at January 31, Y+1	43.7	22.1	30.6
Dividends paid in year	3.9	2.9	1.7
Annual TSR	***-20.3%***	***-42.8%***	***46.2%***

Valuation of Neopost shares held by Mr Denis Thiery:

Number of shares held on January 31	119,945	140,525	145,484
Number of shares held on January 31, Y+1	140,525	145,484	145,484
Value of portfolio on January 31	7,160,717	6,140,943	3,215,196
Value of portfolio on January 31, Y+1	6,140,943	3,215,196	4,451,810
Gains or losses	**-1,019,774**	**-2,925,746**	**1,236,614**

The three tables above show that the structure of Mr Denis Thiery's remuneration changes depending on the company's results and that his remuneration is fully in line with the interests of shareholders.

2 Seventh resolution: Remuneration policy for the Chairman & CEO

The remuneration policy of the Chairman & CEO is based on his role at Neopost, his experience, his seniority, his performances as well as the market practices. Potential future salary increases will be linked to Neopost performances and market practices.

For 2017 as for every year, the Remuneration Committee uses surveys produced by Willis Towers Watson to determine references on compensation for the entire Management Committee. Regarding the compensation of the Chairman & CEO, the Committee refers to a panel composed of some 15 companies with a business activity, market capitalization, sales and workforce similar to those of Neopost. The 2017 compensation of Mr Denis Thiery, both in its structure and amount, appears to be consistent with the practices of this panel.

The compensation of the Chairman & CEO includes a fixed part and a variable part. Given the time spent by the Chairman & CEO in the United States owing to the country's importance for Neopost, approximately 20% of the fixed and variable remuneration of Denis Thiery is paid in US dollars.

In respect of FY 2017, the Board of Directors meeting on March 27, 2017 decided, on a recommendation by the Remuneration Committee, to maintain the annual fixed remuneration of Mr Denis Thiery at the same level as 2016, i.e. €663,000.

The structure of the variable annual remuneration of Mr Denis Thiery, Chairman & CEO, will also remain the same as 2016. The variable annual remuneration of Mr Denis Thiery is determined according to the attainment of quantitative targets with respect to Group sales, operating margin and capital employed (80%), as well as precise qualitative targets (20%).

The quantitative targets for the Group for 2017 are:

Weighting	*Criteria*	*Lower limit (0.0%)*	*Target (100%)*	*Maximum (150%)*
40%	Sales	1,091.9	1,149.4	1,183.9
40%	EBIT	17.1%	18.4%	19.1%
20%	Capital employed	(37.4)	(41.5)	(45.7)

The structure of 2017 lower and maximum limits are similar to the structure of 2016.

The 2017 target for sales stands at 1,149.4 million euros. This is lower than the 2016 sales target because it takes into account the structural decline Neopost faces in its legacy business Mail Solutions. In 2016 total sales declined by -2.7% compared to 2015. Mail Solutions declined by 5.3% in 2015 and 4.6% in 2016. Mail Solutions still represents 74% of the total turnover of Neopost. Mail Solutions will continue to decline between -4% to -6% every year going forward. Therefore the return to growth for the Group is a mid-term objective. This will be achieved thanks to strong growth in Communication & Shipping Solutions.

The 2017 target for EBIT stands at 18.4% slightly lower than the 18.6% achieved in 2016. This 2017 target was set because the mix of activities and the investments in innovation will weigh on the EBIT performance in 2017. The 18.4% is fully in line with the mid-term EBIT guidance of the Group which is to keep the EBIT above 18% throughout the transformation period.

For 2017, there are 5 qualitative targets:

- development of the management team;
- finalize the structure and development of Neopost Shipping;
- continue the development of the Enterprise Digital Solutions division;
- accelerate the development of new business activities within the SME Solutions division;
- Executive Committee succession planning.

Each of these criteria is given an equal weighting of 20%.

In addition, the upper and lower limits of this variable component are expressed as a percentage of the fixed remuneration awarded, with a pre-set ceiling of 150%.

The long-term portion of the Chairman & CEO's compensation will also remain the same. It is comprised exclusively of bonus share plans with performance conditions see point 5.2.5. The granting to the Chairman & CEO will not exceed 20% of the overall share grants.

Vesting of the plans is subject to the existence of a mandate or an employment contract. Consequently no vesting can take place after the end of all mandates and employment contract.

There is no malus or clawback provisions for the variable remuneration (short-term and long-term) as of today but the Remuneration Committee will consider this for 2018 or for the nomination of the next CEO.

In addition, Mr Denis Thiery will receive 30,000 euros in director's fees for the corporate mandate that he exercises at Neopost S.A. This is the same amount as last year.

As a corporate officer, Mr Denis Thiery does not benefit from any arrangement regarding severance payment in case of termination. Regarding his former employment agreement as Chief Financial Officer, that is currently suspended, Mr Denis Thiery might receive severance payments in case of dismissal for something else than gross negligence or misconduct according to the collective bargaining agreement applying to the company. The severance payment would be 9.5 months of salary.

The supplementary pension scheme of the Chairman & CEO for 2017, as with that of the salaried members of the Executive Committee of Neopost S.A., remains the same as in 2016, see point 1.

At January 31, 2018, the overall estimated amount of the annuity attributed to the Chairman & CEO would be €215,573 in respect of the supplementary pension scheme of which 205,714 regarding article 39 and 9,859 regarding article 83. To benefit from the annuity coming from article 39, the Chairman & CEO must definitively end his career, be a member of the Neopost S.A. workforce at the date of retirement, and claim his pension rights from the Social Security pension scheme and supplementary pension schemes.

The amount accounted for pensions is not individualized.

When recruiting a new executive officer the remuneration committee will intend to keep the cost for the company to a minimum and will always make decisions deemed not to be detrimental to the interest of the Company.

3 Eighth to eleventh resolutions: change in the composition of the board

In the eight resolution, you will be asked to ratify the appointment of Mrs. Hélène Boulet-Supau as a new independent director for the duration of her predecessor's term of office that is until the General Meeting called to approve the financial statements closed on 31 January 2018.

Hélène Boulet-Supau is General Manager of Sarenza.com, a website selling footwear and leather goods on the Internet since 2007 Hélène Boulet-Supau has a recognized expertise in digital companies with a strong entrepreneurial experience as well as financial competencies.

For further details, please refer to the Board of Directors report to the Ordinary General Meeting on our website.

After the expiration of Mr. Cornelius Geber office and the resignation of Mr. Jean Paul Villot after the coming General Meeting, Neopost's Board shall be in full compliance with the parity regulation.

The Board's policy is to have the highest level of independent members as possible

After the coming General Meeting Neopost Board shall comprise 100% of independent members out of the Chairman & CEO.

Each Board's committee must be composed of a minimum of 3 Board members with at least a majority of independent members.

As far as the Remuneration committee is concerned, please note that Mr Jean-Paul Villot will be replaced by an independent board member in the course of 2017.

The proposed tenth and eleventh resolutions aim to better spread out the renewal dates of the members of our Board of Directors, which appear too concentrated, according to the AFEP-Medef's regular partial renewal recommendations

The Board of Directors would be renewed approximately one-third each year, so that it would be fully renewed every three to four years. To this end, the term of office of some of the Directors would terminate in anticipation and be renewed for a new term.

Given the schedule of the expiration dates of the current board members, the two independent directors concerned by these resolutions have been selected among the directors who were renewed at the 2016 General Meeting. For further details on these persons please refer to the Registered Document on our website.

4 Thirteenth to twenty-third resolutions: issue of shares and/or securities

Resolutions 13 to 23 concern the authorizations to be granted to the Board of Directors with a view to issuing shares and/or securities.

For resolutions involving the elimination of shareholders' pre-emptive rights (resolutions 14, 15, 16, 17, 20 and 21), the amount of capital increases that may be carried out pursuant to these delegations of authority may not exceed a par value of €3,400,000, or less than 10% of the share capital at January 31, 2017 (and is assigned to the overall ceiling set out in resolution 13).

For the authorization involving the upholding of shareholders' pre-emptive rights (resolution 13), the amount of capital increases that may be carried out may not exceed a par value of €15,000,000, or less than 50% of the share capital at January 31, 2017. The amount of the authorization is justified by the current market price of the share and by the necessity to maintain Neopost's ability to seize development opportunities as part of the pursuit of the transformation in place.

5 Twenty-fourth resolution: long-term incentive plan

Neopost has been in full transformation since 2012. Long-term incentive plans play a key role both in fostering the loyalty of the management teams in place and in attracting new talents, particularly from the digital communication and logistics sectors.

Until 2012, the Group used stock options and bonus share plans. Since 2012, the Group has only drawn on bonus shares as a long-term incentive tool for the management teams.

The performance criteria for the granting of bonus shares are defined on the basis of the Remuneration Committee's recommendations and are very restrictive in nature, as you can see from the following two tables.

5.1 History of bonus shares granted under previous plans:

The following table summarizes the previous plans, now ended, to give you a clearer picture of the restrictive nature of the performance criteria.

Plan	2009	2010	2011	2012
Date of Annual General Meeting	July 5, 2006	July 6, 2010	July 6, 2010	July 6, 2010
Date of Board meeting	February 18, 2009	July 27, 2010	January 12, 2011	January 12, 2012
Number of shares	63,000	42,000	80,000	77,000
Cancellation on departure (b)	0	(3,000)	0	(5,000)
Adjusted grant total (c	63,000	39,000	80,000	72,000
Cancellation for non-performance (d)	(30,192)	(7,800)	(16,266)	(36,313)
Number of shares awarded (e = c - d)	32,808	31,200	63,734	35,687
Performance ratio (= e/c)	**52.1%**	**80.0%**	**79.7%**	**49.6%**
Criteria	Increase in sales, operating margin, total shareholder return	Increase in sales, increase in net earnings per share, total shareholder return	Increase in sales, increase in net earnings per share, total shareholder return	Increase in sales, increase in net earnings per share, total shareholder return
Reference financial years	2009, 2010 and 2011	2010, 2011 and 2012	2011, 2012 and 2013	2012, 2013 and 2014

The average performance ratio relative to these four previous plans comes out at **65.3%**.

5.2 Breakdown of bonus share plans closed in 2016 or still in operation:

To help you further appreciate the restrictive nature of the criteria of the plans closed in 2016 or still under way, please find below all the details on the criteria and achievements:

Plan	2013	2014	2015	2016	2017
Date of Annual General Meeting	July 4, 2012	July 4, 2012	July 1, 2015	July 1, 2016	March 27, 2017
Date of Board meeting having ruled on the grant	January 16, 2013	March 24, 2014	July 1, 2015	July 1, 2016	March 27, 2017
Number of shares granted (a)	146,900(1)	150,060	199,500	149,000	247,000
Cancellation on departure (b)	(12,000)	(82,130)	(22,500)	(2,500)	-
Adjusted grant total (c = a - b)	134,900	67,930	177,000	146,500	247,000
Cancellation for non-performance		67,930	-	-	-
Number of shares awarded (e = c - d)	3,529 already awarded and 910 pending award as at 31 January 2017	0	-	-	-
Performance ratio (= e/c)	**3.3%**	**0%**	-	-	-
Criteria	Increase in sales, EBIT, total shareholder return	Increase in sales, EBIT, total shareholder return	Increase in CSS & SME sales relative to the market(2), EBIT, relative total shareholder return	Increase in CSS & SME sales relative to the market(2), EBIT, relative total shareholder return	Increase in CSS & SME sales, EBIT, relative total shareholder return
Reference financial years	2013, 2014 and 2015	2014, 2015 and 2016	2015, 2016 and 2017	2016, 2017 and 2018	2017, 2018 and 2019

(1) Since 2012, only bonus performance shares have been granted. Performance stock options were discontinued.
(2) The market being defined as the sum of SME Solutions and the SMB division of Pitney Bowes.

5.2.1 Details of the 2013 plan

The performance criteria for the 2013 bonus share plan incorporated the transformation under way in our Group. These criteria are predicated on sales, operating income for each distribution network (Neopost Integrated Operations and CSS Dedicated Units), and shareholder returns relative to the SBF 120. The maximum number of shares that could be granted is, as of today, 134,900.

The criteria for the first tranche of 70,450 shares were assessed when the 2014 financial statements were prepared:

Weighting	*Criteria***	*Lower limit (0.0%)*	*Target (66.7%)*	*Maximum (100%)*
45%	Consolidated sales	EUR 1,128* million (94% of target sales)	EUR 1,200* million	EUR 1,236* million (103% of target sales)
40%	EBIT with a minimum of EUR 265 million	96% of target EBIT	Target EBIT: 24.8% of sales for Neopost Integrated Operations and 11% of sales for CSS Dedicated Units	102% of target EBIT
15%	Total shareholder return relative to the SBF 120 index (01/02/2013 to 31/01/2015)	0.0%	+2.0%	+3.0%

*Performance is measured taking into account constant exchange rates.
**Performance is measured linearly between the lower limit, the target and the maximum.

Fulfilment of the performance criteria for this first tranche was measured when the 2014 financial statements were prepared:

Weighting	*Criteria*	*Actual*	*Achievement of targets*	*Total*
45%	2014 Consolidated sales*	1,138	14%	6.3%
40%	2014 EBIT	245	93%	0%
20%	Total relative shareholder return	Below lower limit	Below lower limit	0%
Total	Total number of shares vested or scheduled to be vested			4,439 (70,450 x 6.3%)

*at constant exchange rate

Grants for the second tranche of 64,450 shares were assessed with the following performance criteria when the 2015 financial statements were prepared:

Weighting	*Criteria***	*Lower limit (0%)*	*Target (66.7%)*	*Maximum (100%)*
45%	Consolidated sales	EUR 1,184* million (94% of target sales)	EUR 1,260* million	EUR 1,297.8* million (103% of target sales)
40%	EBIT with a minimum of EUR 265 million	96% of target EBIT	Target EBIT: 24.8% of sales for Neopost Integrated Operations and 11% of sales for CSS Dedicated Units	102% of target EBIT
15%	Total shareholder return relative to the SBF 120 index (01/02/2013 to 31/01/2016)	0.0%	+2.0%	+3.0%

*Performance is measured taking into account constant exchange rates.
**Performance is measured linearly between the lower limit, the target and the maximum.

Fulfilment of the performance criteria for this second tranche was measured when the 2015 financial statements were prepared:

Weighting	*Criteria*	*Actual*	*Achievement of targets*	*Total*
45%	2015 consolidated sales *	1,124	89%	0%
40%	2015 EBIT	240	86%	0%
20%	Total shareholder return	Below lower limit	Below lower limit	0%
Total	Total number of shares vested			0

*at constant exchange rate

Overall, the grant ratio for the 2013 plan was **3.3%**.

5.2.2 Details of the 2014 plan

The performance criteria set out for the 2014 plan take into account the transformation under way at Neopost. These criteria are relative to the sales and operating income for each distribution network (Neopost Integrated Operations and CSS Dedicated Units) and to the relative value of shareholder return (relative to the SBF 120). The maximum number of shares that can be granted is 131,060.

The initial tranche of 65,530 shares was assessed using the following criteria when preparing the 2015 financial statements:

Weighting	*Criteria***	*Lower limit (0%)*	*Target (66.7%)*	*Maximum (100%)*
45%	Consolidated sales	€1,151.5* m (94% of target)	€1,225* million	€1,261.7* m (103% of target)
40%	EBIT with a minimum of €255 million	96% of target EBIT	Target EBIT: 23.5% of the sales of Neopost Integrated Operations and 12% of the sales of CSS Dedicated Units	102% of target EBIT
15%	Total shareholder return relative to SBF 120 (from 02/01/2014 to 01/31/2016)	0.0%	+2.0%	+3.0%

* Performance will be measured at constant exchange rates.
** The measurement of the performance is linear between the lower limit, the target and the maximum.

The performance criteria for this initial tranche as measured when preparing the 2015 financial statements are as follows:

Weighting	*Criteria*	*Actual*	*Achievement of targets*	*Total*
45%	2015 Consolidated sales *	1,094	89%	0%
40%	2015 EBIT	240	90%	0%
15%	Relative total shareholder return	Below lower limit	Below lower limit	0%
Total	Total number of shares vested			0

* At constant exchange rates.

The second tranche of 65,530 shares was assessed using the following criteria when preparing the 2016 financial statements:

Weighting	*Criteria***	*Lower limit (0%)*	*Target (66.7%)*	*Maximum (100%)*
45%	Increase in consolidated sales	€1,207.9* m (94% of target)	€1,285* million	€1,323.5* m (103% of target)
40%	EBIT with a minimum of €255 million	96% of target EBIT	Target EBIT: 23.5% of the sales of Neopost Integrated Operations and 11% of the sales of CSS Dedicated Units	102% of target EBIT
15%	Total shareholder return relative to SBF 120 (from 02/01/2014 to 01/31/2017)	0.0%	+2.0%	+3.0%

* Performance will be measured at constant exchange rates.
** The measurement of the performance is linear between the lower limit, the target and the maximum.

The performance criteria for this second tranche as measured when preparing the 2016 financial statements are as follows:

Weighting	*Criteria*	*Actual*	*Achievement of targets*	*Total*
45%	2016 Consolidated sales *	1,080.5	84.0%	0%
40%	2016 EBIT	216.0	84.5%	0%
15%	Relative total shareholder return	Below lower limit	Below lower limit	0%
Total	Total number of shares vested			0

* At constant exchange rates

The grant ratio for the 2014 plan was **0%**.

5.2.3 Details of the 2015 plan

The performance criteria set out for the 2015 plan continues to take into account the transformation under way at Neopost. These criteria are predicated on sales of legacy business activities, the performance of which must exceed that of the market defined as the sum of the SME Solutions division at Neopost and the SMB division at Pitney Bowes. They are also based on the organic sales growth of the new business activities of Communication & Shipping Solutions (CSS), which must be higher than 10%. In addition, the criteria concern the consolidated operating income and the relative value of shareholder return (relative to the SBF 120). The maximum number of shares that can be granted is 181,500.

The first tranche of the 2015 plan will be assessed using the following criteria when preparing the 2016 financial statements, for sales and EBIT, and at 06/30/2017 for total shareholder return:

Weighting	*Criteria**	*Lower limit (0%)*	*Target (66.7%)*	*Maximum (100%)*
 20% 20%	Sales**: CSS Neopost SME Solutions relative to the market***	 +10% +1%	 +15% +2%	 +20% +2.5%
40%	Consolidated EBIT as a % of consolidated sales as at 31 January 2017	18.5%	20.0%	21.0%
20%	Total shareholder return relative to SBF 120 (from 07/01/2015 to 06/30/2017)	0.0%	+2.0%	+3.0%
Total	Maximum number of shares that can be granted	0	60,500	90,750

* The measurement of the performance is linear between the lower limit, the target and the maximum.
** Based on the average performance of 2015 and 2016
*** The market being defined as the sum of Neopost's SME Solutions and the SMB division of Pitney Bowes.

The second tranche of the 2015 plan will be assessed using the following criteria when preparing the 2017 financial statements, for sales and EBIT, and at 06/30/2018 for total shareholder return:

Weighting	*Criteria**	*Lower limit*	*Target*	*Maximum*
 20% 20%	Sales**: CSS Neopost SME Solutions relative to the market***	 +10% +1%	 +15% +2%	 +20% +2.5%
40%	Consolidated EBIT as a % of consolidated sales as at 31 January 2018	18.5%	20.0%	21.0%
20%	Total shareholder return relative to SBF 120 (from 07/01/2015 to 06/30/2018)	0.0%	+2.0%	+3.0%
Total	Maximum number of shares that can be granted	0	60,500	90,750

* The measurement of the performance is linear between the lower limit, the target and the maximum.
** Based on the average performance of 2015, 2016 and 2017
*** The market being defined as the sum of Neopost's SME Solutions and the SMB division of Pitney Bowes.

5.2.4 Details of the 2016 plan

The performance criteria used for the 2016 plan are similar to the criteria used for the 2015 plan. They will be assessed using the following criteria when preparing the 2018 financial statements for sales and EBIT and at 06/30/2019 for total shareholder return:

Weighting	*Criteria**	*Lower limit (0%)*	*Target (66.7%)*	*Maximum (100%)*
 20% 20%	Sales**: CSS Neopost SME Solutions relative to the market***	 +10% +1%	 +15% +2%	 +20% +2.5%
40%	Consolidated EBIT as a % of consolidated sales as at 31 January 2019	18.5%	20.0%	21.0%
20%	Total shareholder return relative to SBF 120 (from 07/01/2016 to 06/30/2019)	0.0%	+2.0%	+3.0%
Total	Maximum number of shares that can be granted	0	99,383	149,000

* The measurement of the performance is linear between the lower limit, the target and the maximum.
** Based on the average performance of 2016, 2017 and 2018
*** The market being defined as the sum of Neopost's SME Solutions and the SMB division of Pitney Bowes.

5.2.5 Details of the 2017 plan

Most of the performance criteria used for the 2017 are similar to the criteria used for the 2016 plan except for the sales performance of the SME Solutions division relative to the market, the market being the sum of Neopost SME Solutions division and Pitney Boxes SMB division.
Neopost has indeed decided to change its criteria for SME Solutions due to the fact that the strategy followed by Pitney Bowes in its SMB division is no longer comparable to Neopost strategy.
The SME Solutions division is composed of Neopost legacy business Mail Solutions and of digital and logistics solutions sold to our SME customer base. In 2016 SME Solutions Division declined by 3.8% compared to 2015. Within SME Solutions Division, Mail Solutions still represents 86% of the revenue and is in a structural decline due to worldwide drop in mail volume. Mail Solutions declined by 5.3% in 2015 and 4.6% in 2016. Mail Solutions will continue to decline between -4% to -6% every year going forward. This decline will be mitigated by the growth in digital and logistics solutions like it was in 2015 and in 2016.

The mid-term objective of the Group is to come back to growth at Group level. This will be achieved by lowering the decline in SME Solutions and thanks to growth in Communication & Shipping Solutions. The return to growth of our SME Solutions Division is expected on a longer term.

The performance of the 2017 plan will be assessed using the following criteria when preparing the 2019 financial statements for sales and EBIT and at 02/29/2020 for total shareholder return:

Weighting	*Criteria**	*Lower limit (0%)*	*Target (66.7%)*	*Maximum (100%)*
 20% 20%	Sales**: CSS SME Solutions	 +10% -3.4%	 +15% -2.4%	 +20% -1.90%
40%	Consolidated EBIT as a % of consolidated sales as at 31 January 2020	18.5%	20.0%	21.0%
20%	Total shareholder return relative to SBF 120 (from 03/01/2017 to 02/29/2020)	0.0%	+2.0%	+3.0%
Total	Maximum number of shares that can be granted	0	164,667	247,000

* The measurement of the performance is linear between the lower limit, the target and the maximum.
** Based on the average performance of 2017, 2018 and 2019

5.3 Characteristics of the next long-term incentive plans subject to approval of the twenty-fourth resolution:

To facilitate the succession plan of the Chairman & CEO and other members of the Executive Committee, as well as to foster the loyalty of managers from company recently acquired (and to be acquired) and attract new talents, particularly in the fields of digital communication and logistics, we are asking you once again this year to authorize the board to award bonus shares.

The coming years will be critical to the Group transformation and will require absolute commitment from the management team.

The new plans subject to your approval would include 400,000 bonus shares, attributable over a 26-month period starting in 2018, and equal to 1.16% of share capital, the same amount as the previous plan approved by the Annual General Meeting of July 2016.

The details of the authorization requested are as follows:

- annual grants may not exceed 60% of the total available, i.e. 0.7% of share capital;

- corporate officers may not be awarded more than 20% of the total share grants every year (a maximum of 80,000 bonus shares for the entire authorization period);

- the performance criteria attached to these bonus shares will correspond to the Group's medium-term objectives, namely limited decline in SME Solutions and strong growth in new business activities linked to digital communication and logistics, as well as maintaining a profitability rate of over 18%. There will also be an external performance criterion: total shareholder return.

The term of the authorization would be 26 months, the same as the previous authorization. Subject to your approval, we intend to introduce new plans starting in 2018, with three-year vesting periods and no minimum holding periods as authorized by the Macron Law.

Thank you for taking the time to read this letter and for your support during the vote at the General Meeting.

Yours sincerely,

Denis Thiery
Chairman & Chief Executive Officer