



Office of the Town Clerk
Diane M. Wilhelm

Registrar of Vital Statistics

Records Management Officer

Marriage Officer

TO: Supervisor Jens-Smith, Councilpersons , Wooten, Giglio, Hubbard, Kent,
John Marafino, Maryann Tague

FROM: Carol Del Vecchio, Account Clerk Typist

DATE: December 26, 2018

RE: Open Bid Report for Used or Refurbished Postage Machine for use at
Town Hall

2 bids were received and opened at 11:00 am, December 26, 2018

****SEE ATTACHED****

Neopost USA, Inc.
478 Wheelers Farms Road
Milford, CT 06461
203-301-3400
government@neopost.com

Pitney Bowes
292 Madison Avenue
New York, NY 10017
860-680-3586
Russell.rodd@pb.com



Exceptions to the Specifications

Town of Riverhead
Bid for Postage Machine
Due 12/26/2018

Neopost offers the following modifications/clarifications to your Request for Proposal:

I. General Bid Specifications

#12 Contract terms and conditions

Due to the unique nature of business and regulations imposed on Neopost by the United States Postal Service, Neopost will also need to incorporate certain additional terms into the final agreement. Neopost will need to incorporate terms that address the rental of postage meters (the USPS prohibits customers from owning postage meters). If lease is the procurement method, Neopost USA has attached the Neopost Government Lease Terms and Conditions that would be applicable.

#16. Indemnification

b. Insurance

Neopost request the requirement to provide a COI within 36 hours of request be changed to within 48 hours of request.

II. Bid Specifications

#19. Invoice & Payments

b. note, the identity of "the town employee accepting the delivery" will not be shown on lease invoices.

#27 Termination Process

The termination provisions of the government lease shall prevail.

Neopost at a Glance

Neopost solutions enable companies to expertly send and receive digital documents, physical mail and packages, helping them to better connect with their customers.



Our Expertise



Digital Solutions

Neopost technology manages data quality and enhances documents to optimize print-to-mail and digital delivery workflow.



Mailing Solutions

Every year, Neopost equipment addresses, fills and meters billions of mail pieces for hundreds of thousands of U.S. companies.



Shipping Solutions

Neopost systems empower businesses to control rising shipping costs and streamline the handling of inbound packages.

Business Impact

Neopost delivers measurable process improvements to advance your key business objectives, including:



Customer Engagement

Improve acquisition, satisfaction and retention



Revenue Growth

Increase sales, market share and profit



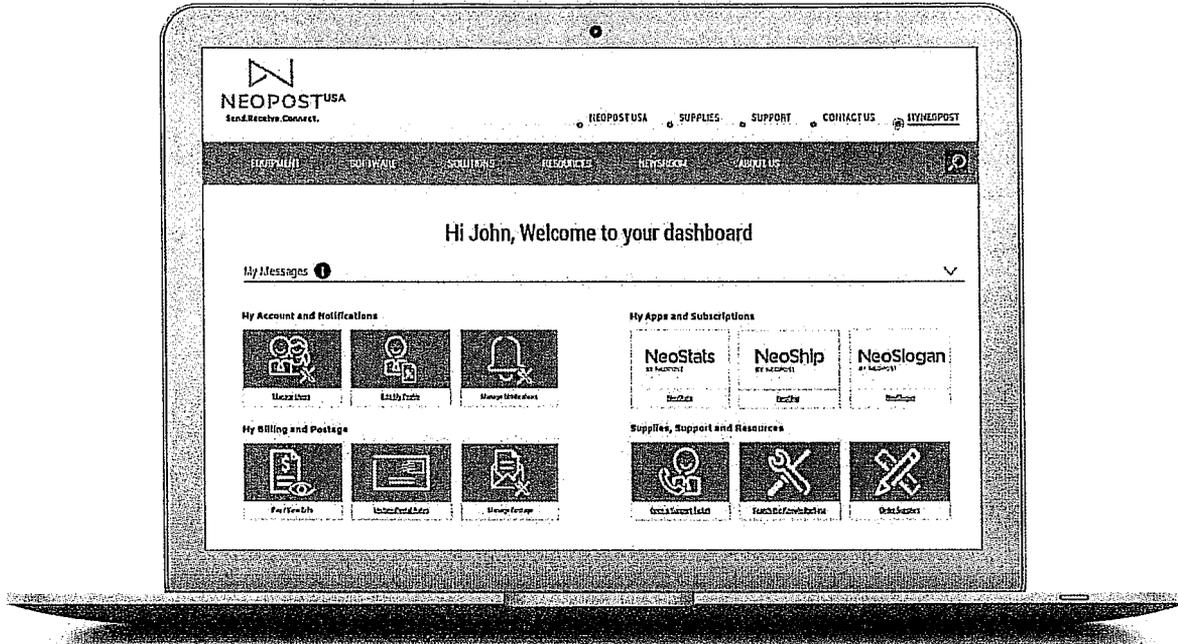
Risk Mitigation

Enhance security and regulation compliance



Expense Control

Maximize productivity and reduce costs



Discover MyNeopost, Neopost USA's customer portal, accessible anytime from anywhere to manage your Neopost account

- Order supplies
- View real-time postage balances
- View and export postage spending activity
- View, print and pay Neopost, NeoFunds® and MailFinance invoices
- View product operating guides and tutorial videos
- Track USPS® shipments and Certified Mail™*
- View and export postage spending by department and postal class*
- Access online subscription services for shipping and multi-channel document delivery*

*Optional services

Invoice Number	Invoice Date	Due Date	Amount Due
02000002	Apr 12, 2015	May 12, 2015	\$1,077.05
02000003	May 12, 2015	Jun 12, 2015	\$1,018.18
02000004	Jun 12, 2015	Jul 12, 2015	\$1,053.47
02000005	Jul 12, 2015	Aug 12, 2015	\$1,083.12
02000006	Aug 12, 2015	Sep 12, 2015	\$1,028.31

Status	Shipping Date	Shipping Time	Tracking Number	Sender	City & State	Zip Code
Shipped	05/12/2015	10:00 AM	9505 1082978	NEOPOST USA	ELSFORD, CA	95020
Shipped	05/12/2015	10:00 AM	9505 1082979	NEOPOST USA	ELSFORD, CA	95020
Shipped	05/12/2015	10:00 AM	9505 1082980	NEOPOST USA	ELSFORD, CA	95020



Postal Composition Summary for: TOWN OF RIVERHEAD

Account Information			
Account Address:	200 Howell Ave RIVERHEAD, NY 11901-2515	Report Date:	12/14/2018
Mailing Machine:	IM480	Last Data Upload:	10/2/2018
Meter Serial #:	11671593	Sales Rep:	Owen O'Connor
		Data Status:	Actual Activity (365 Days)

Mail Type	Last Year (Jan/17 - Dec/17)		Rolling Year (Oct/17 - Sept/18)	
	Pieces #	Postage \$	Pieces #	Postage \$
Postcards				
Letters	45,885	\$23,427	44,084	\$23,783
Flats (Large Envelopes)	1,647	\$3,067	1,627	\$3,042
Parcels (all types)	285	\$2,158	218	\$1,640
International Mail				
Manual Entry	15	\$16	16	\$25
Unknown / Other				
Total	47,832	\$28,668	45,945	\$28,490

Mail Class	Letters - Rolling Year		Flats - Rolling Year	
	Pieces #	Postage \$	Pieces #	Postage \$
First-Class Mail® Single	44,084	\$23,783	1,627	\$3,042
First-Class Mail® Presort				
First-Class Mail® Auto				
USPS Marketing Mail™				

Accountable Mail - Rolling Year	Pieces #	Postage \$
Certified Mail™ <i>without</i> Return Receipt	47	\$209
Certified Mail™ <i>with</i> Return Receipt	462	\$3,028
Electronic Return Receipt Savings Estimate*		\$578

This document contains confidential and proprietary information of Neopost USA Inc. Any copying, dissemination, distribution or use of this document is strictly prohibited without the express written prior consent of Neopost USA Inc.

Financial Considerations



Product Summary

Please see the attached rolling year over year postal composition summary. The mail processing volume is flat and not declining. The extensive use of the dynamic scale to process mixed weight mail in Automatic mode is certainly justified. Neopost can provide a more in depth review of this report and review the impact of the USPS January 2019 rate changes. As a trusted advisor Neopost will provide consultation regarding cost savings measures, compliance and best practices.

IS 480 REMANUFACTURED Mail Processor with Dynamic Scale and 30 LB external scale
• ICP2500 smart protect line conditioner

Cost Summary

Valid Until: 1-26-19

01	Lease Term (months)	36
02	Monthly Amount	\$529.01

Notes

The Neopost contract is inclusive and includes the shipping, installation, refresher training and on site technical support.

THE EXISTING NEOPOST INK CARTRIDGES WORK IN THIS PROPOSED UNIT

Terms and Conditions are pursuant to the Neopost Government Lease Agreement, which will govern finance transactions.



631.656.7353



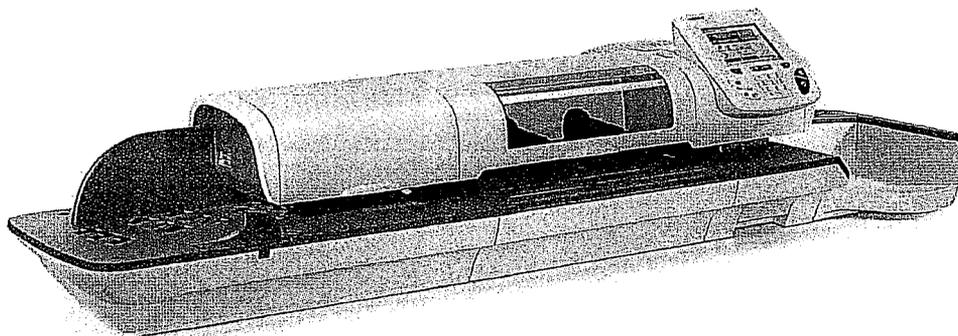
o.oconnor@neopost.com



neopost.com



Solution Overview



IS-480 Remanufactured Mailing System

- Intuitive user interface that includes a color touchscreen and time-saving shortcut keys
- Rate Wizard guides users in choosing the right mail class and optional special services
- Automatic feeding of postcards, letters or large envelopes without sorting by mail piece size
- Dependable envelope sealing that secures the contents of your mail pieces
- In-line dynamic scale weighs, measures, classifies and rates mail pieces on the fly
- External scale auto-adjusts the postage amount for extra-thick envelopes or boxed packages
- Integrated postage label dispenser for easy processing of bulky letters and large envelopes
- Reach productivity levels as high as 155 metered mail pieces/min. (110 in dynamic weighing mode)
- Safeguard your stored postage with PIN code access for each of your operators
- Track pieces processed and postage used for 50 or more accounts/departments
- High-speed internet connection to refill postage instantly and update postal rates automatically
- Download artwork to print onto your mail pieces – use our free library or create your own
- Uploads postage usage data to your MyNeopost online account for quick and easy analysis
- Download the postage you need now and pay later using NeoFunds® bill-for-postage service

A mid-range mail processing solution with proven performance



GOVERNMENT PRODUCT LEASE AGREEMENT

In this Government Product Lease Agreement (the "Lease"), the words "You" and "Your" mean the lessee, which is the entity that is identified as the Customer on the Government Product Lease Agreement Order Form ("Order Form"). "We," "Us" and "Our" mean the lessor, MailFinance Inc. "Supplier" refers to either Neopost USA Inc., or any other third party that has manufactured, or is providing services related to, the Products.

1. Lease of Products. THIS LEASE IS UNCONDITIONAL AND NON-CANCELABLE (except as provided in Section 24, below) during the Initial Term (as defined below). You agree to lease from Us the equipment, embedded software, Software, services and other products listed on the Order Form, together with all existing accessories, embedded software programs, attachments, replacements, updates, additions and repairs, (collectively the "Products") upon the terms stated herein. For the avoidance of doubt, postage meters for use in mailing machines are excluded from the definition of Products. The term "Software" means any software that is subject to this Lease, other than software programs that are embedded in the hardware. Software is subject to the additional terms as may be provided by the Supplier.

2. Promise to Pay. You promise to pay to Us the lease payment shown on the Order Form ("Lease Payment") in accordance with the payment schedule set forth thereon, plus all other amounts stated in this Lease.

3. Initial Term; Renewal.

3.1 FMV Lease. The Initial Term of this Lease will begin on the date the Products are installed and will continue for the number of months shown on the applicable Order Form ("Initial Term"). Unless You have opted for an LTOP Lease as described in Section 23, You must notify Us in writing at least thirty (30) days before the end of the Initial Term that You intend to either: (i) return the Products at the end of the Initial Term; or (ii) purchase the Products pursuant to Section 22. If You have not opted for an LTOP lease and You fail to give us such notice, then this Lease will automatically renew for consecutive periods of one (1) month each (each a "Renewal Period"). The amount You pay for the Products will remain unchanged during each Renewal Period. We will not notify You that the Initial Term or any Renewal Period is ending. You may terminate this Lease at the conclusion of any Renewal Period by giving Us thirty (30) days prior written notice of Your intent to do so. If You notify Us in writing that You intend to terminate the Lease, as set forth above, You shall either return the Products pursuant to Section 12 of this Lease or purchase the products pursuant to Section 22.

3.2 LTOP Lease. If you have opted for an LTOP Lease as described in Section 23, then the term of this Lease will begin on the date the Products are installed and will continue for the number of months shown on the applicable Order Form ("Initial Term"). At the conclusion of the Initial Term of an LTOP Lease, we shall: (i) transfer title of all hardware Products to You as set forth in Section 23; and (ii) Your license to use any Software Products shall continue without the need to make any further license payments to Us.

4. Payments. Lease Payments, and other charges provided for herein, are payable in arrears periodically as stated on the Order Form. You agree to make Lease Payments to Us at the address specified on Our invoices, or at any other place designated by Us within thirty (30) days of the date of Our invoice.

5. Delivery and Location of Products. The Products will be delivered to You at the installation address specified on the Order Form ("Installation Address") or, if no such location is specified, to Your billing address. Your acceptance of the Products occurs upon delivery of the Products. You shall not remove the Products from the Installation Address unless You first get Our written permission to do so.

6. Ownership, Use, and Maintenance of Products. We will own and have title to the Products during the Lease. You agree that the Products are and shall remain Our personal property. You authorize Us to record (and amend, if appropriate) a UCC financing statement to protect Our interests. You represent that the Products will be used solely for commercial purposes and not for personal, family or household purposes. At Your own cost, You agree to maintain the Products in accordance with the applicable operation manuals and to keep the Products in good working order, ordinary wear and tear excepted.

7. Assignment of Supplier's Warranties. We hereby assign to You any warranties relating to the Products that We may have received from the Supplier.

8. Relationship of the Parties. You agree that You, not We, selected the Products and the Supplier, and that We are a separate company from the Supplier and that the Supplier is not Our agent. IF YOU ARE A PARTY TO ANY POSTAGE METER RENTAL, MAINTENANCE, SERVICE, SUPPLIES OR OTHER CONTRACT WITH ANY SUPPLIER, WE ARE NOT A PARTY THERETO, AND SUCH CONTRACT IS NOT PART OF THIS LEASE (EVEN THOUGH WE MAY, AS A CONVENIENCE TO YOU AND THE SUPPLIER, BILL AND COLLECT MONIES OWED BY YOU TO THEM).

9. Default. You will be in default under this Lease if You fail to pay any amount within ten (10) days of the due date or fail to perform or observe any other obligation in this Lease. If You default, We may, without notice to You, do any one or more of the following, at Our option, concurrently or separately: (A) cancel this Lease; (B) require You to return the Products pursuant to Section 12 below; (C) take possession of and/or render the Products unusable, and for such purposes You hereby authorize Us and Our designees to enter Your premises, with prior reasonable notice or other process of law; and (D) require You to pay to Us, on demand as liquidated damages and not as a penalty, an amount equal to the sum of: (i) all Lease Payments and other amounts then due and past due; (ii) all remaining Lease Payments for the then-current term, together with any taxes due or to become due during such term (which You agree is a reasonable estimate of Our damages); and (iii) in the event that You failed to promptly return the Products to Us, an amount equal to the remaining value of the Products at the end of the then-current term, as reasonably determined by Us. To the extent allowable by law, You shall also pay all Our costs in enforcing Our rights under this Lease, including reasonable attorneys' fees and expenses that We incur to take possession, store, repair, or dispose of the Products, as well as any other expenses that We may incur to collect amounts owed to Us. We are not required to re-lease or sell the Products if We repossess them. These remedies shall be cumulative and not exclusive, and shall be in addition to any and all other remedies available to Us.

10. Finance Lease. You agree that this Lease is a "finance lease" as defined in Article 2A of the Uniform Commercial Code ("UCC"). To the extent permitted by law, You hereby waive any and all rights and remedies conferred upon You under UCC Sections 2A-303 and 2A-508 through 2A-522, or any similar laws.



11. Loss; Damage; Insurance. You shall: (i) bear the risk of loss and damage to the Product(s) during the Initial Term and any Renewal Period; and (ii) keep the Product(s) insured, at Your expense, against all risks of loss and damage in an amount at least equal to its full replacement cost.

12. Return of Products. Unless You take title to the tangible Products pursuant to Section 22 or Section 23, then You are required to return such Products under this Lease. In such a case, at the end of the Lease, You shall, after receiving an Equipment Return Authorization ("ERA") number from Us, promptly send the Products, at Your expense plus shipping and handling costs, to any location(s) that We designate in the contiguous United States. The Products must be properly packed for shipment with the ERA number clearly visible, freight prepaid and fully insured, and must be received in good condition, less normal wear and tear.

13. Assignment. YOU SHALL NOT SELL, TRANSFER, ASSIGN, SUBLEASE, PLEDGE OR OTHERWISE ENCUMBER (COLLECTIVELY, "TRANSFER") THE PRODUCTS OR THIS LEASE IN WHOLE OR IN PART.

14. Disclaimer of Warranties. WE MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE SUITABILITY OF THE PRODUCT(S), ITS CONDITION, ITS MERCHANTABILITY, ITS FITNESS FOR A PARTICULAR PURPOSE, ITS FREEDOM FROM INFRINGEMENT, OR OTHERWISE. WE PROVIDE THE PRODUCTS TO YOU "AS IS," "WHERE IS" AND "WITH ALL FAULTS."

15. Limitation of Liability. WE SHALL NOT BE LIABLE TO YOU AND YOU SHALL NOT MAKE A CLAIM AGAINST US FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), OR EXPENSE OF ANY KIND ARISING DIRECTLY OR INDIRECTLY FROM THE DELIVERY, INSTALLATION, USE, RETURN, LOSS OF USE, DEFECT, MALFUNCTION, OR ANY OTHER MATTER RELATING TO THE PRODUCTS (COLLECTIVELY, "PRODUCT MATTERS"). NOTWITHSTANDING ANY OTHER PROVISION OF THIS LEASE, EXCEPT FOR DIRECT DAMAGES RESULTING FROM PERSONAL INJURY OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE MAXIMUM OUR LIABILITY TO YOU FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE TOTAL OF THE AMOUNTS PAID TO US HEREUNDER BY YOU.

16. Notice. All notices related to this Lease to Us shall be made by You, or an attorney representing You. Notice of non-renewal of this Lease shall be made as outlined in Section 3 herein by calling 1-800-NEOPOST (636-7678). All other notices, requests and other communications hereunder shall be in writing and sent to: MailFinance Inc., 478 Wheelers Farms Road, Milford, CT 06461 ("Notice Address"). Such notices shall be considered given when: (i) delivered personally, or (ii) sent by commercial overnight courier with written confirmation of delivery. In the event that We do not accept Your offer to enter this Lease, then You have the right to a written statement that specifies the reasons that Your offer was not accepted. You can request such a statement by writing to Us at the Notice Address.

17. Integration. The Lease represents the final and only agreement between You and Us. There are no unwritten oral agreements between You and Us. The Lease can be changed only by a written agreement between You and Us. Any additional terms and conditions referenced on any Purchase Order shall be void and have no effect on this Lease.

18. Severability. In the event any provision of this Lease shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties agree to replace any invalid provision with a valid provision, which most closely approximates the intent and economic effect of the invalid provision.

19. Waiver or Delay. A waiver of any default hereunder or of any term or condition of this Lease shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition, but shall apply solely to the instance to which such waiver is directed. We may accept late payments, partial payments, checks, or money orders marked "payment in full," or with a similar notation, without compromising any rights under this Lease.

20. Survival of Obligations. Your obligations under this Lease shall survive any expiration or termination of any government procurement contract that may be related to it. Any obligations and duties which by their nature extend beyond the expiration or termination of this Lease shall survive the expiration or termination of this Lease.

21. Choice of Law; Venue; and Attorney's Fees. This Lease shall be governed under the laws of the State of Connecticut, without regard to conflicts of law, and jurisdiction shall lie exclusively in a court of competent jurisdiction in New Haven County, Connecticut. In any litigation or other proceeding by which one party either seeks to enforce its rights under this Lease (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Lease, to the extent allowable by law, the prevailing party shall be awarded its reasonable attorney fees, and costs and expenses incurred.

22. FMV Leases. If this Lease is a fair market value lease, as indicated by the lease rate that has been used by Us to calculate Your Lease Payment then, unless You are in default, You may elect to purchase the hardware Products at the end of this Lease on an "as is, where is" basis for their fair market value, as reasonably determined by Us. In the event that You elect to do so, You must give us sixty (60) days prior written notice of Your election to purchase such Products.

23. LTOP Leases. If this Lease is a lease to purchase, as indicated by the lease rate that has been used by Us to calculate Your Lease Payments then, at the end of the Initial Term and after You have made all of the Lease Payments, We shall transfer title to all hardware Products that are subject to this Lease to You on an "as is, where is" basis.

24. Termination.

24.1 Non-Appropriation.

a. You warrant and represent that You intend to enter into this Lease for at least the entire Initial Term and that You are doing so for an essential government purpose. You agree that, prior to the expiration of the Initial Term, you shall not terminate this Lease in order to obtain the same or similar Products from another vendor.

b. You may terminate this Lease at the end of Your current fiscal year, or at the end of any subsequent fiscal year, if appropriated funds are not available to You for the Lease Payments that will be due in the next fiscal year. In the event of such a non-appropriation, then You shall provide written notice to Us that states:

Sufficient funds have not been and will not be appropriated for the remaining payments due under the Lease. I confirm that we will not replace the Products with similar



equipment from any other party in the succeeding fiscal year.

24.2 Convenience. You may terminate this Lease at anytime and for any reason or for no reason ("Termination for Convenience"); provided that You comply with the provisions of this paragraph. In the event of a Termination for Convenience, You shall pay Us a termination charge equal to the net present value of the periodic payments remaining in the Initial Term or, if applicable, the then-current Renewal Term, discounted to the present value at an interest rate equal to six percent (6%) per annum. Such amount must be received by Us within thirty (30) days of the effective date of the termination.

25. Additional Postage Meter Terms. If the Products require a postage meter, then You agree that Neopost USA's Postage Meter Rental Agreement shall govern your rental of such postage meter.

POSTAGE METER RENTAL AGREEMENT

1. Incorporation of Certain Terms. Customer acknowledges that: (i) it has entered a Government Product Lease Agreement with MailFinance Inc. (the "Lease"); and (ii) if the Products that are subject to the Lease includes a mailing machine, then the terms of this Postage Meter Rental Agreement ("Rental Agreement") shall govern its rental of the Postage Meter (as defined below) for such machine. Any defined terms in the Lease shall have the same meanings in this Rental Agreement, except that "We," "Us," and "Our," refers to Neopost USA Inc., and any reference to "Products" shall refer to the Postage Meter. Sections 11, 12 and 14 through 25 of the Lease are hereby incorporated into this Rental Agreement, except that any reference in those sections to the "Lease" refer to this Rental Agreement.

2. Provisions as to Use. You acknowledge that: (i) as required by United States Postal Service ("USPS") regulations, the postage meter(s) identified on the Order Form (the "Postage Meter") is being rented to You and that it is Our property; (ii) the Postage Meter will be surrendered by You upon demand by Us; (iii) You are responsible for the control and use of the Postage Meter; (iv) You will comply with all applicable laws regarding Your use or possession of the Postage Meter; (v) the use of the Postage Meter is subject to the conditions established from time to time by the United States Postal Service; and (vi) the Postage Meter is to be used only for generating an indicia to evidence the prepayment of postage and to account for postal funds. It is a violation of Federal law to misuse or tamper with the Postage Meter and, if You do so, We may terminate this Rental Agreement upon notice to You.

3. Rental Fee, Term, and Taxes. The rental fee for the Postage Meter rental during the Initial Term is included in the Lease Payment. For each Renewal Term, You agree to pay Our then-current fee for the Postage Meter rental. The Postage Meter rental fee does not include the cost of consumable supplies. The term of the rental shall be equal to the term of the Lease and is NON-CANCELABLE. You agree to pay all applicable taxes related to Your acquisition, possession, and/or use of the Postage Meter including all property taxes on the Postage Meter. Furthermore, You agree to pay the applicable fee to cover Our expenses associated with the administration, billing and tracking of such charges and taxes. Notwithstanding the foregoing, in the event You are tax exempt, upon providing Us a certificate, You will not be required to pay any taxes covered by such

certificate. You agree that you will return the Postage Meter at the end of the Lease term and that You will do so in the manner set forth in Section 12 of the Lease. Furthermore, You agree that if you fail to return a postage meter within thirty (30) days of receipt of the Equipment Return Authorization from Us, then You will pay a postage meter replacement fee of one thousand dollars (\$1,000).

4. Postage Meter Maintenance, Inspections, and Location. We will keep the Postage Meter in good working condition during the term of this Rental Agreement. The United States Postal Service regulations may require Us to periodically inspect the Postage Meter. You agree to cooperate with Us regarding such inspections. We may, from time to time, access and download information from Your Postage Meter to provide Us with information about Your postage usage and We may share that information with Our distributors and other third parties and You hereby authorize Us to do so. You agree to promptly update Us whenever there is any change in Your name, address, telephone number, the licensing post office, or the location of the Postage Meter.

5. Postage Advances. We do not sell postage. In the event You require an emergency advance for postage, We, at Our sole discretion, may advance You money to reset the Postage Meter. If We do provide such an advance, You agree to repay Us within five (5) days from the time of such advance: (i) the amount of the emergency advance; and (ii) the then-current advance fee.

6. Default. In the event You fail to perform in accordance with the terms set forth in this Rental Agreement, or any other Agreement with Us or any of Our affiliates, including, but not limited to, MailFinance Inc., and Mailroom Finance, Inc., then We may, without notice: (i) repossess the Postage Meter(s); (ii) disable the Postage Meter; (iii) immediately terminate this Rental Agreement; and (iv) pursue any remedies available to Us at law or in equity. Furthermore, upon the return of the Postage Meter, You hereby authorize Us to offset any amount of postage remaining in the Postage Meter, prior to any refund to You, against any amount due to Us or any of Our affiliates. To the extent allowable by law, You shall also pay all of Our costs in enforcing Our rights under this Rental Agreement, including reasonable attorneys' fees and expenses that We incur to take possession, store, or repair, the Postage Meter, as well as any other expenses that We may incur to collect amounts owed to Us. These remedies shall be cumulative and not exclusive, and shall be in addition to any and all other remedies available to Us.

7. Rate Updates.

A. Maintenance of Postal Rates. It is Your sole responsibility to ensure that correct amounts are applied as payment for mailing and shipping services. We shall not be responsible for returns for delivery delays, refusals, or any other problems caused by applying the incorrect rate to mail or packages.

B. Rate Updates with Online Services. If the Order Form indicates that You are enrolled in Our Online Services program, then We will make available periodic updates for Your covered Products and/or Postage Meter, including updates to maintain accurate USPS rates for the USPS services that are compatible with such Products or Postage Meter. **The rate updates that are offered with Our Online Services program are only available for products that are Integrated (as defined below) into Your mailing machine.** For the purposes of this section, "Integrated" means that the



covered hardware cannot properly operate on a stand-alone basis and it has been incorporated into the mail machine. Products that are not Integrated including, but not limited to, all Software and scales with "ST-77," or "SE" in the model number will not receive updated rates as part of Our Online Services program (collectively "Excluded Products").

- C. Rate Updates with Rate Change Protection and Software Advantage. If You have any of Our Excluded Products, You may have elected to purchase Rate Change Protection ("RCP") from Us for Your hardware products or Software Advantage for Your Software. If the Order Form indicates that You have selected RCP or Software Advantage, We will make available the following updates for Your covered Products or Software: (i) updates to maintain accurate rates for the services offered by the USPS and other couriers that are compatible with Your covered Products or Software; and (ii) updates for major zip or zone changes that are compatible with Your covered Products or Software. If any reprogramming is required because You have moved the Products or Postage Meter to a new location, none of the services described in this Section cover the cost to do so. If You have not selected RCP or Software Advantage, You agree that We may send You periodic rate updates as needed and You agree to either: (i) promptly pay the then-current price for such update; or (ii) return the unused, update to Us within ten (10) business days of receiving it. Customers with an outstanding Accounts Receivable balance may not receive a rate update until the open balance is resolved.

8. United states postal service acknowledgement of deposit requirement. By signing this Postage Meter Rental Agreement, You acknowledge and agree that You have read the United States Postal Service Acknowledgement of Deposit (the "Acknowledgement") and will comply with its terms and conditions, as it may be amended from time to time.

9. Additional united states postal service terms.

- A. By signing this Postage Meter Rental Agreement, You acknowledge that You are also entering into an Agreement with the United States Postal Service ("USPS") in accordance with the Domestic Mail Manual ("DMM") 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (collectively, "Postage Evidencing Systems" or "PES") and accept responsibility for control and use of the PES contained therein.
- B. You also acknowledge You have read the DMM 604.4, Postage Payment Methods, Postage Meters and PC Postage Products (Postage Evidencing Systems) and agree to abide by all rules and regulations governing its use.
- C. Failure to comply with the rules and regulations contained in the DMM or use of the PES in any fraudulent or unlawful scheme or enterprise may result in the revocation of this Rental Agreement.
- D. You further acknowledge that any use of this PES that fraudulently deprives the USPS of revenue can cause You to be subject to civil and criminal penalties applicable to fraud and/or false claims against the United States. The submission of a false, fictitious or fraudulent statement can result in imprisonment of up to five (5) years and fines of up to \$10,000 (18 U.S.C. 1001). In addition, a civil penalty of up to

\$5,000 and an additional assessment of twice the amount falsely claimed may be imposed (3 U.S.C. 3802).

- E. You further understand that the rules and regulations regarding use of this PES as documented in the USPS Domestic Mail Manual may be updated from time to time by the USPS and it is Your obligation to comply with any current or future rules and regulations regarding its use.
- F. You are responsible for immediately reporting (within seventy-two hours or less) the theft or loss of the postage meter that is subject to this Rental Agreement. Failure to comply with this notification provision in a timely manner may result in the denial of refund of funds remaining on the postage meter at the time of the loss or theft.

NeoFunds®/TotalFunds® ACCOUNT AGREEMENT

1. Incorporation of Certain Terms. You acknowledge that You have entered a Government Product Lease Agreement with MailFinance Inc. (the "Lease") and a Postage Meter Rental Agreement with Neopost USA Inc. (the "Rental Agreement"). If you have an eligible postage meter, then you will have access to a NeoFunds postage funding account (for Neopost POC accounts) or a TotalFunds postage funding account (for Hasler TMS accounts) and this NeoFunds/TotalFunds Account Agreement ("Account Agreement") shall govern Your use of such account. Any defined terms in the Lease or Rental Agreement shall have the same meanings in this NeoFunds Agreement, except that "We," "Us," and "Our," refer to Mailroom Finance, Inc., an affiliate of Neopost USA Inc. Sections 14 through 20 of the Lease are hereby incorporated into this Account Agreement except that any reference in those sections to the "Lease" refers to this Account Agreement.

2. Establishment and Activation of Account. You hereby authorize Us, to establish an account in Your name ("Account") for funding the purchase of postage from the United State Postal Service ("USPS") for use in the postage meter. Your Account may also be used to purchase supplies, pay for the Postage Meter rental, and obtain certain other products and services from Neopost USA. The establishment of Your Account shall be subject to Our approval of Your creditworthiness. Any use of the Account shall constitute Your acceptance of all the terms and conditions of this Account Agreement and all other documents executed or provided in connection with the Account. The Account may not be used for personal, family, or household purposes.

3. Operation of Account. Each time an employee or agent of Yours with the express, implied, or apparent authority to do so (each an "Authorized User") uses the Account to receive a postage meter reset or obtain other products or services that Neopost USA Inc. is authorized to provide, Neopost USA Inc. will notify Us of the amount to be applied to Your Account balance. If the Account is used to obtain postage, then We will transfer the requested amount of postage to the USPS on Your behalf and Your Account will be charged for the amount of postage requested and any related fees, if applicable. You can continue to pre-pay the USPS for postage and understand that pre-paid postage funds will be used first to pay for my postage meter resets. You further understand that NeoFunds/TotalFunds will provide additional available postage funds when Your pre-paid account balance is zero (\$0). When You request a postage meter reset, if You have the funds on account with the USPS, those funds



automatically will be withdrawn first to pay for postage, and any additional amounts due for postage and related fees will be billed through the NeoFunds/TotalFunds Account under the terms and conditions of this Account Agreement. If the Account is used to acquire products or services from that Neopost USA is authorized to provide, then We shall pay the applicable amount to Neopost USA Inc. and add such amount to Your Account balance.

4. Payment Terms. You will receive a billing statement for each billing cycle in which You have any activity on Your Account. Payments are due on the due date shown on Your billing statement. You may pay the entire balance due or a portion of the balance, provided that You pay at least the minimum payment amount shown on Your statement. However, if You have exceeded the Account Limit, then You must pay the entire amount of any overage, as well as the minimum payment amount shown on Your statement. Whenever there is an unpaid balance outstanding on Your Account which is not paid in full by the due date shown on Your billing statement, We will charge You, and You agree to pay, interest on the unpaid balance of the Account for each day from the date the transaction is posted to Your Account until the date the unpaid balance is paid in full, at the Annual Percentage Rate (as defined below). The Account balance that is subject to a finance charge each day will include outstanding balances, minus any payments and credits received by Us on Your Account that day. The Annual Percentage Rate applicable to Your Account will be equal to the lesser of eighteen percent (18.00%) per annum or the maximum permitted by law. Each payment will be applied to reduce the outstanding balance of Your Account and replenish the amount available to You. We may refuse to extend further credit if the amount of a requested charge plus Your existing balance exceeds Your Account Limit.

5. Account Limit and Account Fees. You agree that We will establish a credit limit on Your Account (the "Account Limit"). The exact amount of the Account Limit will be indicated on Your invoice. We may, in Our sole discretion, allow Your balance to exceed the Account Limit. In the event We do so, You agree to pay Us an additional fee equal to one percent (1%) of the amount by which the Account Limit is exceeded for each transaction that You initiate after Your Account has reached the Account Limit. Such amount will be charged to Your Account on the date that the relevant transaction(s) occurs. Unless prohibited by applicable law, You agree to pay the amounts set forth in this Account Agreement, which may include, without limitation, the amounts specified above, a fee for a late payment, a fee for any checks that are returned as a result of insufficient funds, and a fee for any ACH direct debit transactions which are rejected, and an annual account fee. All such fees shall be added to Your Account balance.

6. Cancellation and Suspension. We may at any time close or suspend Your Account or temporarily refuse to allow further charges to Your Account. You can cancel Your Account at any time by notifying Us in writing at the address provided on Your Account statement of Your desire to do so. No cancellation or suspension will affect Your obligation to pay any amounts You then owe under this Account Agreement. We will notify You of the Account balance in the event of any termination and all outstanding obligations will survive the termination of this Account Agreement by either party.

7. Default. We may declare You in default if You: (i) have made any misrepresentations to Us; (ii) at any time, have done or allowed anything that indicates to Us that You may

be unable or unwilling to repay the balance of Your Account as required under this Account Agreement; or (iii) are in default under this Account Agreement or any lease, rental, or other agreement with Us, Neopost USA Inc., or their affiliates. If You are in default, or upon any cancellation of Your Account, We shall not be obligated to continue to provide the Account service or extend further credit under this Account Agreement. If We are required to take collection action or any other legal action under this Account Agreement, You shall pay upon demand by Us all court and collection costs, along with reasonable attorney's fees. These remedies shall be cumulative and not exclusive, and shall be in addition to any and all other remedies available to Us.

8. Remedies. If We have declared that You are in default under this Account Agreement, then We may: (i) declare all agreements You have with Us in default and due and payable at once without notice or demand; (ii) refuse to make further advances on Your behalf to reset Your postage meter; and (iii) exercise any other rights that We may have. In addition, You agree that any default under this Account Agreement shall constitute a default under any agreement You may have with any of Our affiliates, including, but not limited to, Neopost USA Inc., MailFinance Inc.

9. Amendments. We may amend this Account Agreement, or any of its provisions, including without limitation any fees and charges and/or the Annual Percentage Rate, at any time by at least thirty (30) days written notice to You, and such written notice may be included in Your billing statement. Any such amendment will become effective on the date stated in the notice and will apply to any transactions after such date, as well as to any outstanding balance on Your Account.

10. Notice: Any notice required to be given under this Account Agreement by either party hereto shall be given if to You, at the address shown on Your Order Form, and if to Us at 478 Wheelers Farms Road, Milford, CT 06461.

11. Miscellaneous. You understand that We may obtain credit reports in connection with Your Account now and in the future. This Account Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without reference to its conflict-of-laws rules, and any applicable federal laws. The sole jurisdiction and venue for actions related to the subject matter hereof shall be in a State or Federal Court within the State of Texas.

MAINTENANCE AGREEMENT

1. Incorporation of Certain Terms. You acknowledge that You have entered a Government Product Lease Agreement with MailFinance Inc. (the "Lease"). Any defined terms in the Lease shall have the same meanings in this Maintenance Agreement, except that "We," "Us," and "Our," refer to Neopost USA Inc. Sections 13 through 24 of the Lease are hereby incorporated into this Maintenance Agreement, except that any reference in those sections to the "Lease" refers to this Maintenance Agreement.

2. Neopost's Terms and Conditions for Maintenance Services. If the Order Form indicates that You have purchased maintenance services, then Neopost USA Inc., or one of its affiliates, will provide maintenance services for the Products in accordance with Neopost USA Inc.'s then-current maintenance terms and pricing for the level of maintenance services that You have purchased. Those services will be provided for the entire term of the Lease and are NON-CANCELABLE. The current version of those terms and conditions are available at www.neopostusa.com/maintenanceagreementV0613. You



agree that You have access to such terms and that they are incorporated into this Maintenance Agreement by this reference, and that You shall be bound by such terms as if they were fully stated herein. **Notwithstanding the foregoing, maintenance services are not available on HD Office Printer Series products.**

3. Auto Ink Program. If the Order Form indicates that You have elected to participate in Our Auto Ink Program (the "Program"), then you hereby authorize Us to ship You a new ink cartridge for the Product whenever the Product indicates that the then-current ink cartridge reaches twenty percent (20%) of its capacity. You authorize Us to charge the then-current fee for such cartridge (plus applicable taxes and shipping charges) to Your NeoFunds or TotalFunds Account, You may opt out of the Program at any time by sending an email to CIMneworders@neopost.com.

ONLINE SERVICES AND SOFTWARE AGREEMENT

1. Incorporation of Certain Terms. You acknowledge that You have entered a Government Product Lease Agreement with MailFinance Inc. (the "Lease"). Any defined terms in the Lease shall have the same meanings in this Online Services and Software Agreement ("OSS Agreement"), except that "We," "Us," and "Our," refer to Neopost USA Inc. Sections 13 through 24 of the Lease are hereby incorporated into this OSS Agreement, except that any reference in those sections to the "Lease" refer to this OSS Agreement.

2. License Grant and Additional Terms. In exchange for the license fees that are included in Your Lease Payment, We hereby grant to You a nonexclusive, nontransferable license to use the Software products, including related documentation, described on the Order Form solely for Your own use on or with the Products. You warrant and represent that You will not sell, transfer, disclose or otherwise make available such Software products or copies thereof to third parties; provided, however, that the Software products may be used by Your employees or independent contractors using the Products. No title or ownership of the Software products or any portion thereof is transferred to You. You acknowledge and agree that there may be additional terms and conditions that apply to Your use of any Software provided by Us. Such terms may be provided with the Software, or made available at www.neopostusa.com/softwareterms and may be supplemented by Us or third party licensors, from time to

time, by notice to You. You acknowledge and agree that You have access to the appropriate version(s) of the applicable terms provided at the address above and corresponding to Software described on the Order Form at the time you enter this OSS Agreement. Such terms are incorporated herein by this reference and You agree to be bound by such terms as if they were fully stated herein.

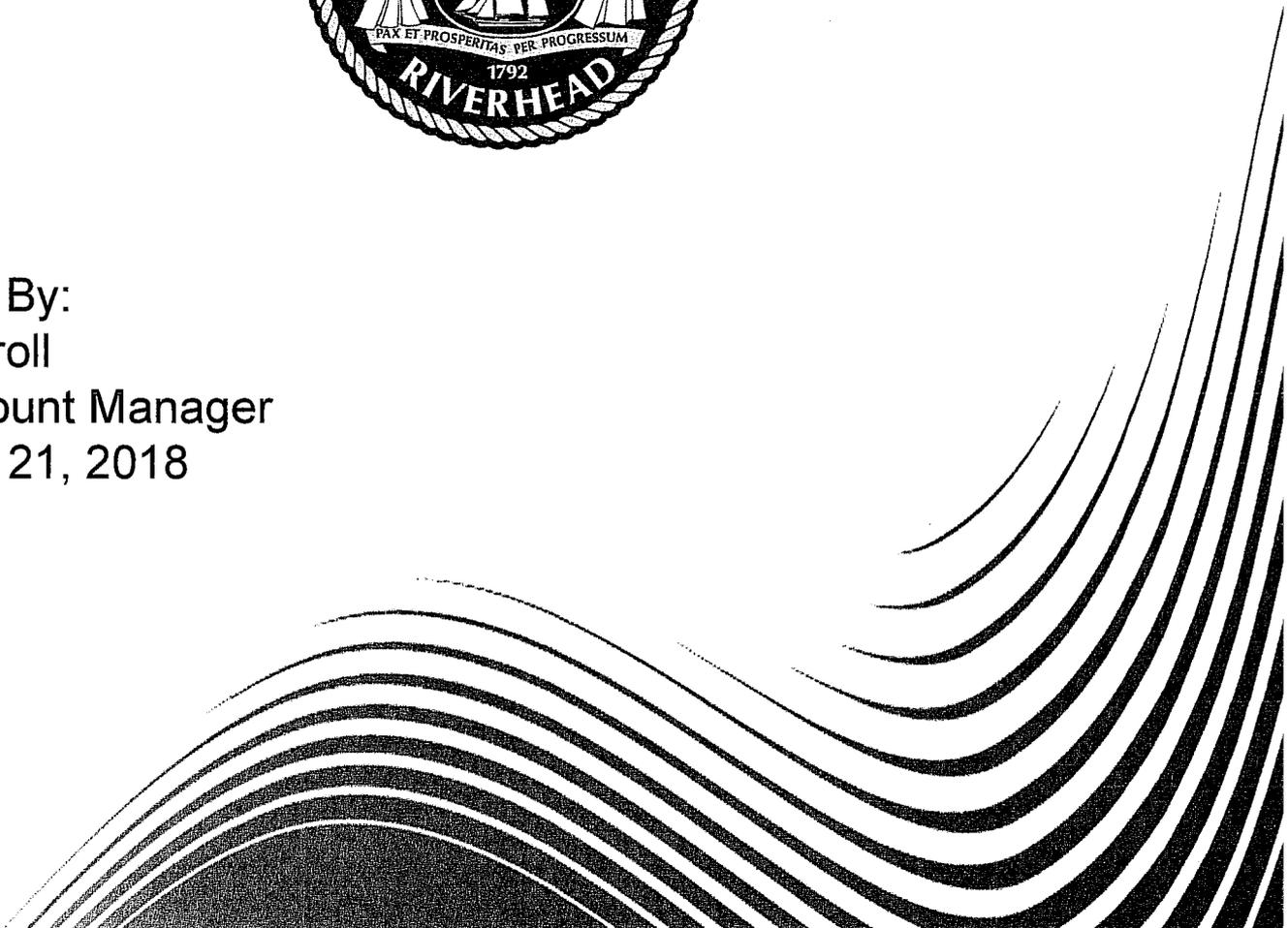
3. Software Support. Unless otherwise specified in the applicable Software terms, if You have purchased support for the Software, We will provide the following for a period of one (1) year: (i) software updates and, if applicable, carrier rate updates that keep You current and compliant with supported carrier rates, fees, zone schedules, label, barcode and forms changes; (ii) updates to the Software; (iii) corrective bug fixes as released; and (iv) technical support for the Software (collectively "Software Maintenance"). At the conclusion of each year of Software Maintenance, the Software Maintenance will automatically renew for additional one-year periods at Our then-current fee for such services unless you give us at least sixty (60) days prior written notice that you wish to cancel the Software Maintenance. You acknowledge that the Software may fail to comply with applicable regulations if you do not have Software Maintenance and that We shall not have any liability in connection with any such failure. If You allow the Software Maintenance to lapse, You may reinstate such services; provided that you pay all fees that would have been due from the expiration of Your last Software Maintenance period through the reinstatement date, plus a 15% administrative surcharge.

4. Use of Websites. Neopost USA Inc. and/or any of Our affiliates, suppliers, including, but not limited to, MailFinance Inc. may, from time to time, make certain websites available to You in order to provide You with certain services ("Websites"). If You access any such Websites, You acknowledge and agree that Your use of the Website is subject to the terms of use and/or license terms in effect at the time You use the Website. Such terms are available on the Websites for Your review. You acknowledge and agree that such terms may be supplemented and modified from time to time ("Supplemental Terms"). Your use of a Website after Supplemental Terms have been issued will signify Your acceptance of those terms. In the event of a conflict between the terms of this OSS Agreement and the Supplemental Terms, the Supplemental Terms shall control.

Mailing Operation Cost Savings and Efficiency Improvement Initiative



Presented By:
Karey Carroll
Major Account Manager
December 21, 2018





Solution Essentials:

Provide used or refurbished postage solution comparable to IS-480 mailing machine for use by the Town of Riverhead.

Pricing to include scale, dynamic weighing platform, include maintenance, installation and training.

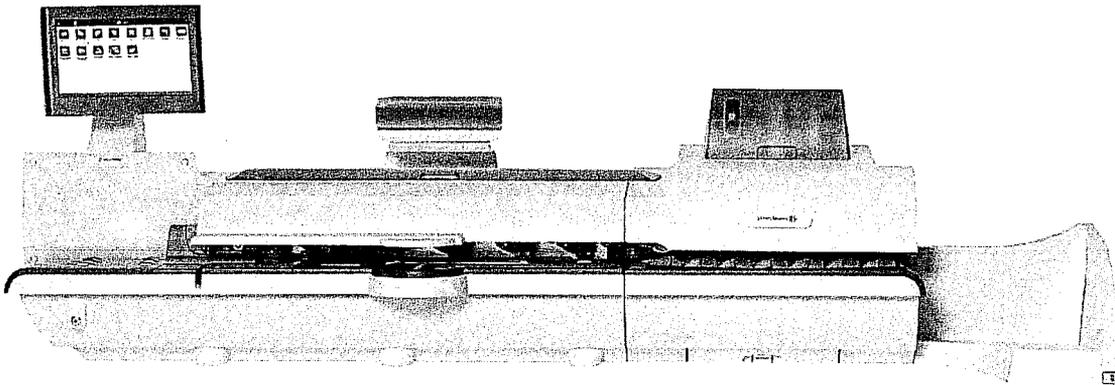
Lease agreement is stated per month for 3 years starting January 1, 2019 until December 31, 2021.

Payments to be billed quarterly.



Proposed Digital Mail Solution:

Green Connect+ 2000

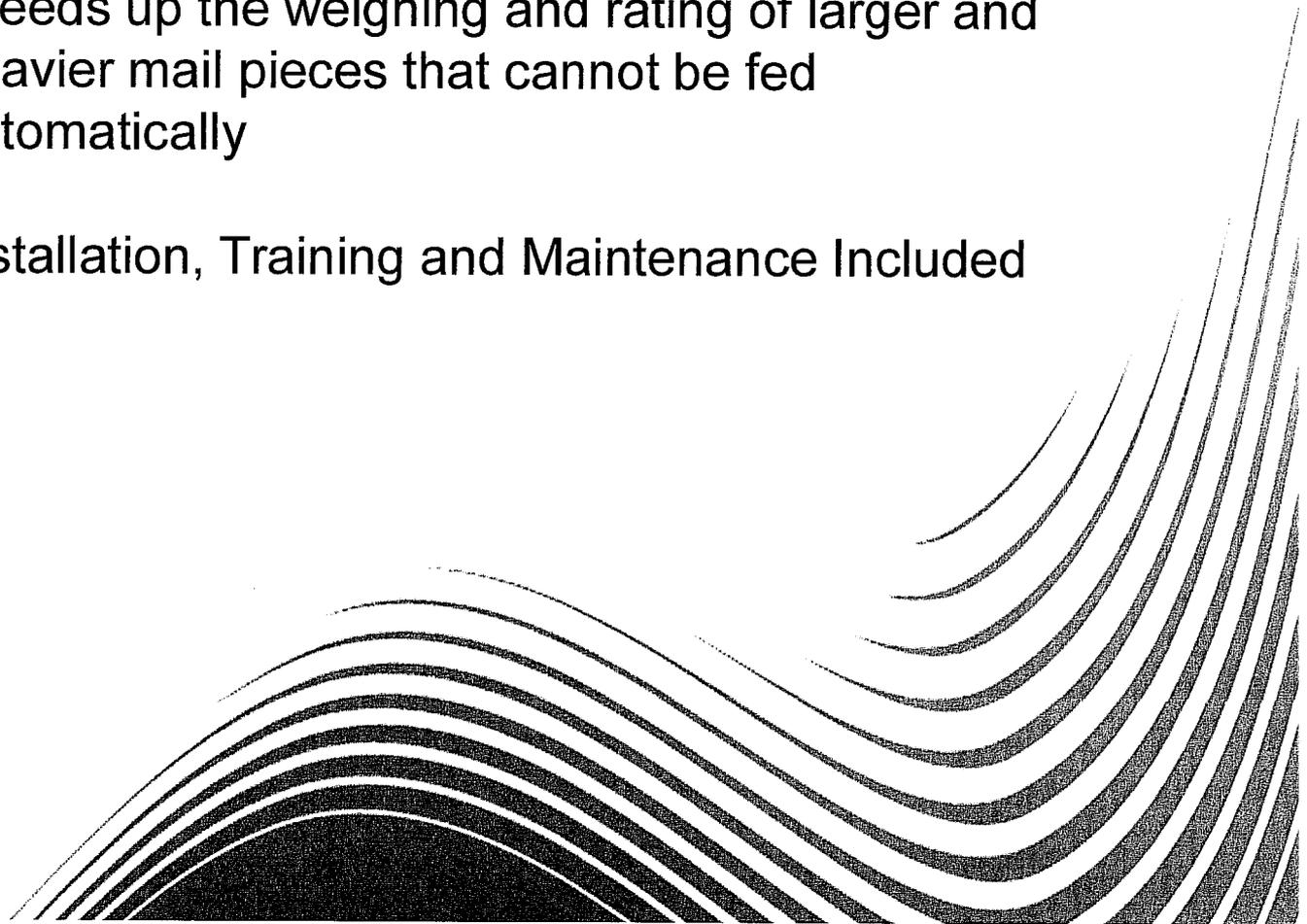


Proposed Investment:

Term-36 months	Price per month:
Green Connect+ 2000 with 5 lb scale, USPS Shipping, Label Printer for IMpB compliant savings, 100 Department Accounting, Drop Stacker, Mono Print	\$276.38

Benefits of Connect + 2000

- Weigh-on-the-Way (WOW scale) to process mixed weight and mixed size mail automatically
- USPS POSTAL SHIPPING ACCESS with LABEL PRINTER for Discounts with Priority and Express Shipping
- Easy-to-follow menu on color touch screen that speeds up the weighing and rating of larger and heavier mail pieces that cannot be fed automatically
- Installation, Training and Maintenance Included



1	T6CS	Receiving - Standard
1	APKE	SendPro P Receiving Feature
1	PTJ1	Postal Shipping
1	APK2	SendPro P Series Basic Label Printer Pac
1	PTJN	Single User Access
1	PTJR	50 User Access with Hardware or Meter
1	PTK1	Web Browser Integration
1	PTK3	SendPro P Series Meter Integration
1	APKF	SendPro P Shipping Feature Access
1	STDLSLA	Standard SLA-Equipment Service Agreement (for Green Connect + Series)

If any green products: The equipment covered by this Agreement includes remanufactured products that have gone through our factory certification testing process.

Your Payment Plan

Initial Term: 36 months	Initial Payment Amount:	
Number of Months	Monthly Amount	Billed Quarterly at*
36	\$ 276.38	\$ 829.14

- Tax Exempt Certificate Attached
- Tax Exempt Certificate Not Required
- Purchase Power[®] transaction fees included
- Purchase Power[®] transaction fees extra

**Does not include any applicable sales, use, or property taxes which will be billed separately.*

Sales Information

Karey Carroll karey.carroll@pb.com
 Account Rep Name Email Address

This Quotation is for budgeting and planning purposes only and is not legally binding. The supply of any goods or services is subject to a separate written order which will be issued by Pitney Bowes and will be subject to the terms and conditions incorporated therein.

Town of Riverhead

BID # PM-2019

PB PROPOSAL/RESPONSE

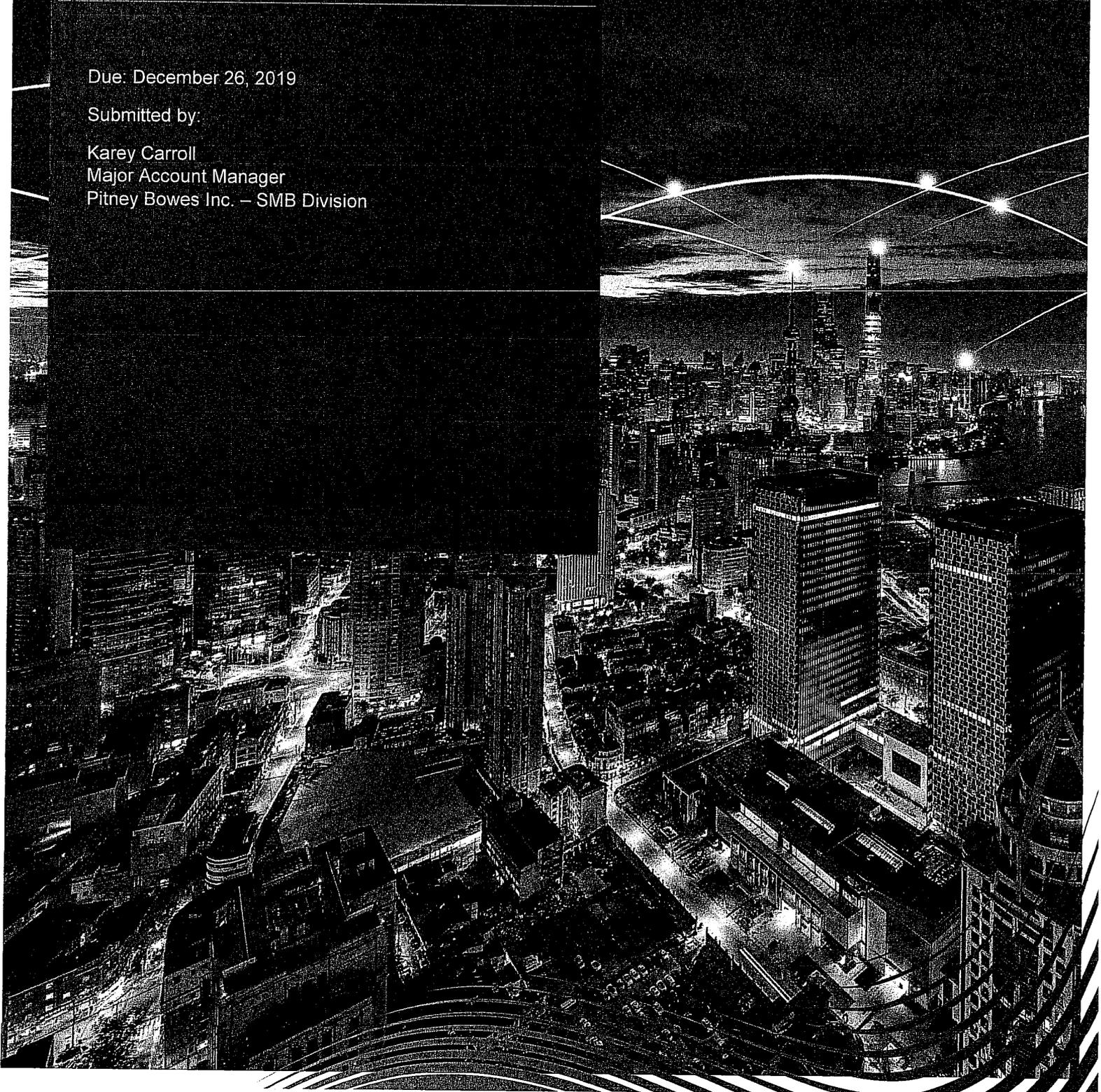
pitney bowes



Due: December 26, 2019

Submitted by:

Karey Carroll
Major Account Manager
Pitney Bowes Inc. – SMB Division



Town of Riverhead
200 Howell Ave
Riverhead, NY, 11901-2515

Re: Bid # PM-2019

For: USED OR REFURBISHED POSTAGE MACHINE D

Due Date: December 26, 2018 @ 4:00pm

Attachments:

Pitney Bowes Lease Terms and Conditions
Pitney Bowes Meter Rental Terms and Conditions

Town of Riverhead

Dear Mary Ann Tague,

Pitney Bowes Inc. ("PBI") is pleased to submit the enclosed response for the REFURBISHED POSTAGE MACHINE. For more than 98 years, PBI has been helping our clients meet their varied mailing needs. We are always committed to providing superior customer service, product, quality, value based solutions and technology, innovative cost solutions and outstanding service.

While we do not provide the IS-480 model, our GREEN CONNECT+2000/MAILING is a suitable upgrade to transition to and all pricing includes full training and maintenance.

The Green Connect + 2000 comes with a dynamic weighing platform, 5 lb. scale, 100 department accounting, USPS shipping, a basic label printer for IMPB Compliant savings, drop stacker and mono print feature.

The following outlines our offer. PBI respectfully takes exception to the terms and conditions listed within this RFP and has included our PBI Lease and Meter Rental terms and conditions. ***Any subsequent contract or purchase order will be governed by any and all terms offered with our proposal.***

In regards to Invoicing, Please note that PBI invoices do not identify the Town employee accepting the delivery or picking up the item.

We sincerely thank you for the opportunity of providing you with solutions that meet your goals. PBI looks forward to a long standing relationship and hopes our response affords us the opportunity to become one of your most valuable vendors.

If you should have any questions, please feel free to contact me.

Sincerely,

Karey Carroll
Pitney Bowes
347-675-7162

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1.0 Corporate Overview

Pitney Bowes Inc. (we, us, our, or the company), was incorporated in the state of Delaware in 1920. We are a global technology company offering innovative products and solutions that enable commerce in the areas of customer information management, location intelligence, customer engagement, shipping and mailing, and global ecommerce. More than 1.5 million clients in approximately 100 countries around the world rely on our products, solutions and services.

Our Strategy and Business Segments

Our business is organized around three distinct sets of solutions -- Small and Medium Business (SMB) Solutions, Enterprise Business Solutions and Digital Commerce Solutions (DCS).

Small and Medium Business Solutions

We are a global leader in providing a full range of mailing equipment, software, supplies and support services that enable our clients to efficiently create mail and evidence postage. We segment the SMB Solutions group between our North America operations, comprising the U.S. and Canadian businesses, and our International operations, comprising all other SMB businesses globally. We are a leading provider of postage meters and have over 900,000 meters installed in North America and over 300,000 meters installed elsewhere. This business is characterized by a high level of recurring revenue driven by rental, lease and loan arrangements, and contract support services and supplies sales.

Enterprise Business Solutions

Our Enterprise Business Solutions group includes equipment and services that enable large enterprises to process inbound and outbound mail. We segment the Enterprise Business Solutions group between our Production Mail operations and Presort Services operations.

Production Mail

Our product and service offerings enable clients to integrate all areas of print and mail into an end-to-end production environment from message creation to dispatch while realizing cost savings on postage. The core products within this segment include highspeed, high-volume inserting equipment, customized sortation products for mail and parcels and high-speed digital color printing systems that create high-value, relevant and timely communications targeted to our clients' customers.

Presort Services

We are a national outsource provider of mail presort services for first-class, standardclass and flat mail in the U.S. and a workshare partner of the United States Postal Service (USPS). Our Presort Services network provides mailers with end-to-end solutions from pick up at their location to delivery into the postal system. Approximately 90 billion pieces of mail are processed annually by third-parties like us or through inhouse operations. Through our network of 32 U.S. locations, and with our fullycustomized proprietary technology, we process approximately 15 billion pieces of mail annually and are able to expedite mail delivery and optimize postage savings for our clients. Our client volumes

represent less than 25% of all automated first-class, standard-class and flat mail.

Digital Commerce Solutions

We provide a broad range of solutions, including customer information management, location intelligence, customer engagement, shipping management and global ecommerce. These solutions are primarily delivered as traditional software licenses, enterprise platforms, software-as-a-service (SaaS) and on-demand applications. The DCS segment is dependent on a relatively small number of clients and business partners for a large portion of its revenue.

Customer information management solutions help businesses harness and deliver a deep and broad understanding of their customers and their context, such as location, relationships, propensity, sentiment and influence. The trusted data and associated insights allow our clients to deliver a personalized customer experience across multiple channels, manage risk and compliance, and improve sales, marketing and service effectiveness. We are one of the market leaders in the data quality segment. Large corporations and government agencies rely on our products in very complex, highvolume, transactional environments to support their business processes.

Location intelligence solutions enable our clients to organize and understand the complex relationships between location, geographic and other forms of data to drive business decisions and customer experiences. Our location intelligence solutions use predictive analytics, location, geographic and socio-demographic characteristics, which enable our clients to harness the power of location to better serve their customers, solve business problems, deliver location-based services and ultimately drive business growth.

Customer engagement solutions provide clients with insight and understanding into customer behavior and interactions across the entire customer lifecycle, enabling them to orchestrate impactful, relevant and timely physical and digital interactions. When coupled with our inserting, sortation and digital print products, we are able to provide clients an all-inclusive solution that enables them to create, print and distribute widespread targeted customer communications. Our customer engagement solutions enable our clients to create connected experiences that positively influence future consumer behavior and generate business growth.

Shipping management solutions enable clients to reduce transportation and logistics costs, select the best carrier based on need and cost, improve delivery times and track packages in real-time. We also offer scalable global logistics management systems that can be integrated into mail centers, as well as desktop and production shipping environments.

Global ecommerce solutions enable full transparency of the fully landed costs by quoting duty, taxes and shipping at checkout, compliance with all import/export complexities, restrictions, regulations and documentation requirements and provide reliable tracking information. Our global ecommerce software platform is currently utilized by over 40 direct merchants and a major online marketplace enabling millions of parcels to be shipped to over 60 countries from the U.S. and more than 15 countries from the U.K.

We also offer targeted direct and digital marketing programs to large advertisers that enable them to connect with movers. Through a contract with the USPS, we produce a "Movers' Guide" in both printed and digital format and a "Welcome Kit" in printed format with targeted advertisers' coupons for movers. We also offer digital advertising programs through MyMove.com, a move related website we own and operate.

Client Service

We have a client care service organization that provides telephone, online and on-site support to diagnose and repair our increasingly complex mailing equipment, production printers and sophisticated software solutions. Most of our support services are provided under annual contracts.

Sales and Marketing

We sell to a variety of business, governmental, institutional and other organizations. We have a broad base of clients and we are not dependent upon any one client or type of client for a significant part of our total revenue.

We market our products and services through a direct and inside sales force, direct mailings, outbound telemarketing, independent dealers and distributors and web channels. We began implementing a phased roll-out of a go-to-market strategy designed to improve the sales process and reduce costs by providing our clients broader access to products and services through expanded inside sales and web channels with less reliance on a direct sales force. We are in the final stages of implementing this go-to-market strategy in our North America businesses and will implement this strategy in our International Mailing and other businesses.

We have made, and are continuing to make, significant investments in the rebranding of the company in order to build market awareness and client demand for our products and services. We are also making investments in marketing in support of the company's brand and business strategy. The brand investments, including a newly launched external website (www.pb.com), are designed to enhance our operational and go-to-market changes, including how we sell to and service clients.

Investment in Research and Development

We invest in research and development programs to develop new products and solutions, enhance the effectiveness and functionality of existing products and solutions and deliver high value technology, innovative software and differentiated services in high value segments of the market. As a result of our research and development efforts, we have been awarded a number of patents with respect to several of our existing and planned products. However, our businesses are not materially dependent on any one patent or license or group of related patents or licenses.

2.0 – Environmental Responsibility

Pitney Bowes has a long tradition of environmental responsibility, and each year we continue to raise the bar on green manufacturing and energy efficiency, to the benefit of our employees, clients and communities. In addition, we recover and recycle materials used in our products through a comprehensive take-back program that has been in effect for more than 50 years. Last year we recycled more than 10 million pounds of materials. We promote environmentally responsible practices in paper procurement and print production.

Energy Conservation

We work continuously to improve energy efficiency in our facilities and operations. We measure our carbon footprint and seek ways to reduce it. We use every means available to help reduce our carbon footprint, from employee awareness to process innovations and site consolidation, and we continue to place among the top 20 in our industry in the EPA's Green Power Partner ratings.

Environmental Product Compliance

We hold our products to strict environmental standards, and have rigorous processes to ensure compliance at every stage of manufacturing and distribution. We also incorporate environmental compliance into the design and manufacture of our products.

Environment Performance

We report our carbon emissions, product stewardship and recycling tonnage.

For additional information on our environmental responsibility, please visit <http://www.pitneybowes.com/us/our-company/corporate-responsibility/environment.html>

3.0 The Pitney Bowes Guarantee

Pitney Bowes Mailing, North America is committed to providing our customers with the finest products backed by the highest quality care and service. As long as you continually maintain coverage with a Pitney Bowes maintenance agreement for hardware and a software maintenance agreement for software after warranty, Pitney Bowes promises to provide you the following:

Guaranteed product performance

For all new and remanufactured Pitney Bowes branded products provided by Pitney Bowes in the U.S., we guarantee performance to our specifications for the initial term of the lease or three years if purchased. If, during that period, the product does not perform to our specifications, and we cannot repair it, we will replace it with a comparable product. If during the first ninety days after installation the replacement product does not perform as specified, you will be entitled to a refund of payments made to us for the replacement product. If the original or replacement product fails to perform due to the use of a non-Pitney Bowes consumable supply or unapproved software/hardware modification, this guarantee will not apply.

Guaranteed nationwide service

Our nationwide service force will respond to service and preventative maintenance requests as part of your maintenance agreement for hardware. If we find that we cannot return your Pitney Bowes branded equipment to a satisfactory operating condition within a reasonable time, where appropriate, we will provide you with a loaner at no additional cost.

Help line support

For customers with products that are supported through our Diagnostics Center, toll-free telephone technical assistance is available Monday through Friday, 8:00 A.M. until 8:00 P.M. EST exclusive of holidays.

Rate change protection

With our ability to accommodate a wide range of carriers, we are your rate data source. Also, should you select any of our plans that include software rate protection, we guarantee that you will not be charged for unexpected rate changes within the scope of your plan.

Operator productivity and training excellence

For all products that we install, our skilled professionals will effectively deliver the agreed upon installation and training services. Furthermore, if you attend our acclaimed Mail Management Seminar, we will train your employee(s) on the latest and most efficient use of postal services.

Purchase Power® service

The Pitney Bowes Bank, Inc. provides postage advances to all qualified customers in good standing. You will not have to pay for postage in advance. You can mail now and pay later when you get your bill.

At Pitney Bowes, we are committed to maintaining long-term partnerships with our customers. If our sales and service support team has been unable to satisfy you, I would like to hear from you. Please call my office at 800 622 2296.

We won't be satisfied until you are satisfied.

Harris Warsaw

Harris Warsaw

Senior Vice President of Global Sales, Global SMB Solutions

4.0 – Global Client Care

Keeping your technology running smoothly is vital to your business. Any interruption can cost you valuable opportunities and lost productivity. To help ensure your business keeps operating at peak efficiency, count on Pitney Bowes.

National expertise in your neighborhood

For over 90 years, Pitney Bowes has delivered industry-leading service and support to millions of customers, from small and medium sized enterprises to Fortune 500 companies, across the U.S. We offer:

- A national network of 1,200 A+ certified representatives – the industry standard for computer support personnel
- Support for our customers in every zip code across the U.S., Alaska and Hawaii
- Our expertise at your fingertips, while providing the quick response and personalized service you expect
- Support online, on the phone or in person

We are featured on TSIA's Service 50 Index as one of 50 of the largest global providers of technology services. Put your business in our capable hands. With an average 97% customer satisfaction rating, our customers trust us with their business.

Industry-leading service

Our Standard and Performance service level agreement options for equipment provide protection from unexpected interruptions and minimize downtime. With uninterrupted equipment solutions from Pitney Bowes, your business can benefit from improved customer communications management.

Turn to Pitney Bowes to:

- Grow your business
- Improve productivity
- Increase customer response rates

First-class™ service, satisfaction guaranteed. At Pitney Bowes, we are committed to providing our customers with the finest products backed by the highest quality service. We won't be satisfied until you are. Ask your Pitney Bowes sales representative for more information about our **Customer Satisfaction Guarantee**.

Our team has demonstrable mastery in diagnosis, prevention and ongoing maintenance of your equipment. They quickly respond to, and resolve your issues. Simply by picking up the phone, or accessing your equipment online, our advanced diagnostics can identify and resolve your service issues; implementing remedies to improve performance in minutes. Alternatively, we will dispatch our neighborhood service representatives for a personal touch.

Standard Service Level Agreement

Safeguard your business from interruption and guarantee maximum performance with our standard service. With remote, online, or on the phone product support, you can have confidence that your business is protected.

Performance Service Level Agreement

With all the benefits of our standard service, our performance plan offers additional peace of mind with guaranteed response times for on-site service support in addition to our performance package which includes:

- Performance Reports
- Training/Professional services
- Application Support
- Mail management seminars

Our representatives go the extra mile delivering value-added professional services in support of your business.

These include:

- Product installation and support • Database maintenance
- Employee training • On-site assistance during periods of high-production
- Consulting
- Database maintenance
- On-site assistance during periods of high-production

Our services are backed by the full resources of Pitney Bowes, including our continuous investment in leading-edge technology.

5.0 – Risk and Business Continuity

Risk

Pitney Bowes Inc. has a structured consistent and continuous risk management process in place across the organization. This Enterprise Risk Management system identifies and prioritizes potential risks to the business including financial environmental and societal risks. These risks are then assessed in terms of probability severity and status of mitigation plans. The risks identified are reviewed by a senior management Risk Steering Committee and the Board of Directors. The risk management process is reviewed independently by the Audit Committee of the Board.

The result is a strategic approach to risk. By focusing on those issues that can affect how well we achieve our long-term goals management is able to balance risk and reward appropriately and holistically strengthening and aligning the interests of management employees and shareholders. And by integrating this understanding into the company's culture we help transform risk management from a defensive function into a source of competitive advantage.

Business Continuity

Our business continuity program is aligned with our risk management process. The program's primary objective is to support ongoing contingency planning to evaluate the impact of events that may adversely affect clients' assets or employees. We have established processes to support the continuity of our businesses during times of crisis. With a core staff and engagement by our business units we are able to respond appropriately as events arise. We also train our employees run simulation exercises and evaluate our program each year for potential improvements.

6.0 Quality Assurance Plan

Pitney Bowes is an American based company Headquartered in Stamford, CT with operations strategically located throughout the US as well as globally. Our manufacturing capabilities consist of both in-house as well as through sub contract relationships. This methodology is in support of our key provider products that support the small, medium and large customer business segments globally. Our in-house operations are ISO 9000 certified and registered. In addition, Pitney Bowes leverages LEAN manufacturing techniques and Six Sigma methodologies in support of our processes. Furthermore we support multiple distribution points globally. Our most centrally located distribution center for support of our postage meter and scale population with over 120,000 sq. ft. is located in Whitestown, IN.

QUALITY & FULL PROTECTION GUARANTEE

Pitney Bowes refuses to compromise where quality is concerned. Our systems are designed and manufactured as per below:

- Produced in ISO 9002 certified facilities and all facilities are monitored regularly for compliance with our quality assurance standards.
- Backed by our Full Protection Warranty
- Our company has a trusted brand built through over 92 years of producing quality products for our customers. We would not put our name on a product or back it with a comprehensive warranty without having the utmost confidence that it is the best available in the industry today.

At Pitney Bowes' internal manufacturing facility we follow detailed procedures, work instructions, and visual aids that are compliant with the ISO 9000 standards. Our procedures combined with thoroughly trained employees ensure we produce products to our defined specifications and that meet our rigorous quality requirements.

All of our Pitney Bowes locations are compliant to the ISO 9000 standard and we are assessed by British Standards Institute on a regularly scheduled basis. Over the past three years we have not received any major or minor non-conformances against our internal procedures or ISO 9001:2008 standard.

7.0 Diversity Overview

Diversity is not simply an initiative for Pitney Bowes. It is the foundation of our company's success. Our workforce, suppliers and our management team reflect the diversity of the communities in which we do business. Since early in our history, we have seen that the best way to generate new ideas, make better decisions, and create a more productive environment is to draw from a wide variety of perspectives. Pitney Bowes consistently ranks high in studies of corporate diversity, where results are based on metrics ranging from employee demographics to the use of minority-owned suppliers.

Recruiting

We have many diversity-related recruiting initiatives, including:

- Relationships with organizations that help attract diverse employees to Pitney Bowes; we attend career fairs sponsored by organizations such as NSHMBA, NMBBAA, NSBE, and SWE
- Advertising our career opportunities in many diverse publications such as Hispanic Business, DiversityInc., National Society of Black Engineers, Society of Women Engineers and Asian Enterprise
- Sponsorship of many conferences that promote diversity, such as the annual conference of the National Urban League
- Internal recruiters are encouraged to compile a diverse list of candidates
- Sponsorship of DiversityInc.'s website and advertisements of our job postings on their website
- Special events such as National Disability Day job shadowing and Junior Achievement job shadowing
- Sponsorship of several college level interns each year through our partnership with INROADS

While hiring diverse talent is one component of our success, it is not the complete solution. To foster a deep culture of diversity, we help our employees access diversity information, education and training on an ongoing basis. We also support minority and women-owned suppliers and commit time and energy to the communities in which we work and live. Pitney Bowes has developed several vehicles to maintain a high level of effort, sensitivity, and awareness throughout the corporation.

Supplier Diversity Development

Pitney Bowes has a long and admirable history of corporate-wide commitment to minority and women-owned supplier development dating back to the 1960s. Pitney Bowes realized the need and importance of a full-time staff of Business Diversity professionals dedicated to creating and implementing various development programs and slates to increase procurement with M/WBEs and formalized its Business Diversity Development department in 1997. This department is also responsible for collecting, formulating, and distributing M/WBE purchase data to our many valued customers who require this type of specialized subcontracting reporting on a scheduled basis. Pitney Bowes has had outstanding success in growing our M/WBE supplier development program through direct and indirect procurement and participation in meaningful outreach

undertakings. Since Pitney Bowes manufactures, sells, and services most of its own products, most attention is given to the indirect type of corporate-wide purchasing. Indirect purchases are those that are not directly related to product but help support the overall Pitney Bowes operation.

Pitney Bowes is extremely proud of the results achieved. For FY 2005, Pitney Bowes purchased over \$49 million from M/WBEs, HUBZone and Disabled Veteran suppliers corporate-wide and we forecast even higher figures for FY 2006.

Reflecting our scope as a corporation that markets its products nationally, Pitney Bowes is an active member on several national and regional minority and women development councils and organizations. We are members of the National Minority Supplier Development Council (NMSDC), Connecticut Minority Supplier Development Council (CMSDC), including Board membership, Latin Business Association of California (LBA), United States Hispanic Chamber of Commerce (USHCC), the Women Business Enterprise National Council (WBENC) including Board membership, and other local and regional diversity organizations. Pitney Bowes annually participates in approximately 15 NMSDC, USHCC and WBENC national and regional trade fairs, conferences and forums. Additionally, Pitney Bowes' supplier diversity achievements have been nationally recognized, i.e., by National Minority Business Council's "Outstanding Corporate Supplier Diversity Award", Div2000 "Top 50 Companies for Diversity" – 2004, 2005 & 2006, and DiversityInc.com's "Top 50 Companies for Diversity" – 2004 and Asian Enterprise Magazine's Top 10 Corporations for Asian Americans –2004, 2005 & 2006.

Internally, Pitney Bowes encourages and fosters a proactive approach to M/WBE procurement.

Each Buyer in the Enterprise Procurement department is assigned very aggressive objectives to increase purchases and to develop strategic alliances with M/WBEs. A portion of each Buyer's performance review is measured against this objective. Pitney Bowes has created and implemented an online registration Website for all M/WBEs to register their company profile data with Pitney Bowes. Pitney Bowes is one of only a few corporations to have this capability. This online database of registered M/WBEs is accessible by all Pitney Bowes buyers and other decision-makers within the corporation.

8.0 Competitive Advantage

In today's competitive market, few companies get a second act, much less a second century. Some of the most iconic companies have survived and prospered for more than 100 years — companies like Procter & Gamble, 3M, ExxonMobil, and General Electric. One study found that fewer than 1 in 10 publicly traded companies in the U.S. are 100 years old or older.

What sets these companies apart? It is the ability to adapt and succeed in the face of changing markets, disruptive technologies and new business models — not just once or twice, but consistently over the decades.

As we approach our second century as an industry leader, you won't find any complacency on our part.

We know there is no manifest destiny for corporations. We have to earn our leadership and continued longevity every day. This is why we're working so hard to transform Pitney Bowes — to achieve our vision of delivering innovative physical and digital products and solutions to our clients around the world.

To us, longevity is less a goal but more a symbol of what we're able to do for our clients and shareholders, day in and day out.

Disruption and Transformation

To build a strong bridge to our second century, we need to have solid footings in both the physical and digital worlds. We have to be successful in our traditional businesses, like mailing, as we build new leadership positions in software and digital commerce. Our clients need us to be great at both.

Much has changed since Arthur Pitney joined Walter Bowes to commercialize the first postage meter and create the modern mailing industry we lead today. For decades, business was a series of predominantly physical transactions until the Internet and ecommerce disrupted the business models most companies knew best and created a world of vast new possibilities — and new competitors.