

**REPORT OF THE BOARD OF DIRECTORS
TO THE ORDINARY GENERAL MEETING**

**REMUNERATION OF THE CHAIRMAN AND CEO
(Sixth Resolution)**

Dear Shareholders,

In application of the Afep-Medef code, as revised in November 2016, the application guidelines for the Afep-Medef code published by the Senior Enterprise Business Committee and in support of the **sixth resolution**, which has been tabled for you to vote on, please find in this report details of the remuneration of Mr. Denis Thiery, Chairman and CEO and sole executive corporate officer of Neopost SA.

The total remuneration and benefits in kind paid and due by Neopost S.A. and the companies that it controls during the course of the **2016 financial year, ending 31 January 2017** to Mr. Denis Thiery, Chairman and CEO is broken down as follows:

Overview of elements making up the remuneration of the Chairman and CEO	Paid or due as of 31 January 2017	
(€ thousands)		
Fixed remuneration	663.0	
Annual variable remuneration ^(a)	paid: 383.5	due: 663.0
Long-term variable remuneration	nil	
Directors' fees	30.0	
Benefits in kind (company car, social security for business directors)	23.2	
Exceptional remuneration	nil	
Compensation linked to taking up roles or termination	nil	
Valuation of performance shares awarded during the financial year	286.1	

(A) The variable remuneration in the "Amounts due" column corresponds to the amount of bonus provisioned for in the accounts of Neopost S.A. And Mailroom Holding Inc. at the end of the financial year.

The remuneration of the Chairman and CEO comprises a fixed component and variable component. 80% of the variable component paid in 2016 was determined on the basis of certain quantitative objectives relating to the Group's profit and loss (revenue, operating profit and capital employed) and 20% on the basis of pre-established and carefully defined qualitative objectives, namely: accelerated organic growth in activity linked to digital communication and Shipping, accelerated transformation of the Neopost Group, keeping absolute EBIT and net distributable income at a constant exchange rate, reducing expenses in the SME Solutions division, improving the quality of financial reporting, coaching and development for the executive management team, and renewal of the Board of Directors.

Each of these criteria is given a weighting which is reviewed annually by the Remuneration Committee. In addition, the upper and lower limits of this variable component are expressed as a percentage of the fixed remuneration awarded, with a pre-determined ceiling of 150%.

The Group criteria for 2016 were as follows:

Weighting	Criteria	Threshold (0.0%)	Target (100%)	Maximum (150%)
40%	Revenue	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)

Reported figures were as follows:

Weighting	Criteria	Performance*	Bonus
40%	Revenue	1,163.1	79%
40%	EBIT	18.7%	22%
20%	Capital employed	(47.3)	150%
		Total	70.3%

*Performance measured taking into account exchange rates applied when defining the criteria.

In addition, the Remuneration Committee estimated that the individual performance objectives were achieved to a level of 142.70%. Overall, Mr. Denis Thiery's performance came out at 84.78% and his annual variable remuneration for 2016 amounts to €562,091. The principle of allocating deferred or a long-term variable remuneration, or exceptional remuneration, does not apply to the chairman and CEO.

In the event of termination or a change of office, or in the case of a non-compete clause, there are no arrangements to pay compensation or benefits of any kind to the Chairman and CEO.

The Chairman and CEO is paid €30,000 in directors' fees per year.

With respect to pensions, the Chairman and Chief Executive Officer and a larger group composed of members of the executive management team are eligible for a defined-contribution scheme (Article 83 of the French General Tax Code), with a total contribution of 5% of salary, subject to a limit of five times the Social Security ceiling, as well as a defined-benefits scheme (Article 39 of the French General Tax Code) with a guaranteed annuity of 1.1% of salary for each year of employment for a minimum of eight years and a maximum of twenty years. This benefit is reduced before the age of 67 (the annuity is paid after deduction of annuities paid under defined-contribution schemes in force).

SUMMARY TABLE OF REMUNERATION AND OPTIONS AND SHARES AWARDED TO DENIS THIERY - CHAIRMAN AND CEO

TABLE NO. 1 AMF RECOMMENDATION - AFEP-MEDEF CODE

(€ thousands)	31 January 2017	31 January 2016
Denis Thiery, Chairman and CEO		
Remuneration due for the financial year	1,379.2	1,378.6
Valuation of long-term variable remuneration awarded during the financial year	-	-
Valuation of options awarded during the financial year ^(a)	-	-
Valuation of performance shares awarded during the financial year ^(a)	286.1	700.1
TOTAL	1,665.3	2,078.7

(a) The indicated amount corresponds to the total award for the financial year.

SUMMARY TABLE OF REMUNERATION FOR DENIS THIERY, CHAIRMAN AND CEO

TABLE NO. 2 AMF RECOMMENDATION - AFEP-MEDEF CODE

(€ thousands)	31 January 2017		31 January 2016	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Denis Thiery, Chairman and CEO				
Fixed remuneration ^(a)	663.0	663.0	663.0	663.0
Annual variable remuneration ^(b)	663.0	383.5	663.0	508.7
Long-term variable remuneration	-	-	-	-
Directors' fees	30.0	30.0	30.0	30.0
Benefits in kind (company car, social security for business directors)	23.2	23.2	22.6	22.6
TOTAL	1,379.2	1,099.7	1,378.6	1,224.3

(a) The fixed remuneration is made up of 2 components: €530,400 paid in euros in France and 172,380 USD paid in dollars in the US (corresponding, in 2013, to 20% of the total fixed salary in € converted using the exchange rate at the time, i.e., 1.30). The US component was frozen, considering that there was no reason for this remuneration to be affected by the EUR/USD conversion.

(b) The variable remuneration in the "Amounts due" column corresponds to the amount of bonus provisioned for in the accounts of Neopost S.A. And Mailroom Holding Inc. at the end of the financial year.

The variable remuneration amounts in the "Amounts paid" column of the table above are the amounts paid in year n for year n-1. The variable component of the remuneration for the Chairman and CEO accounts for 100% of his fixed remuneration and may be raised to 150% if objectives are exceeded.

The Chairman and CEO achieved a performance rating of 84.78% for the fixed objectives during the financial year ending 31 January 2017. Consequently, his variable remuneration stands at €562,091, excluding directors' fees.

SUMMARY OF DIRECTORS' FEES AND OTHER REMUNERATION FOR DENIS THIERY, CHAIRMAN AND CEO

(€ thousands)	31 January 2017	31 January 2016
Denis Thiery, Chairman and CEO		
Directors' fees	30.0	30.0
Other remuneration	-	-
TOTAL	30.0	30.0

The directors' fees are paid for the corporate mandate that Mr. Denis Thiery exercises in the Group's holding company.

SUBSCRIPTION OPTIONS OR SHARE PURCHASE OPTIONS AWARDED DURING THE FINANCIAL YEAR TO DENIS THIERY, CHAIRMAN AND CEO

TABLE NO. 4 AMF RECOMMENDATION - AFEP-MEDEF CODE

(€)	Number and date of plan	Nature of options	Valuation of options ^(a)	Number of options awarded during the financial year	Exercise price	Exercise period
Denis Thiery, Chairman and CEO ^(b)	-	-	-	-	-	-

(a) IFRS valuation standards.
(b) No stock-option was awarded during the financial year.

SUBSCRIPTION OPTIONS OR SHARE PURCHASE OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY DENIS THIERY, CHAIRMAN AND CEO

TABLE NO. 5 AMF RECOMMENDATION - AFEP-MEDEF CODE

(€)	Number and date of plan	Number of options exercised during the financial year	Exercise price
Denis Thiery, Chairman and CEO	-	-	-

PERFORMANCE SHARES AWARDED DURING THE FINANCIAL YEAR TO DENIS THIERY, CHAIRMAN AND CEO

TABLE NO. 6 AMF RECOMMENDATION - AFEP-MEDEF CODE

(€ thousands)	Date of plan	Number of shares awarded during the financial year	Valuation of shares ^(a)	Date of acquisition	Date of availability	Performance conditions
Denis Thiery, Chairman and CEO	7/1/2016	34,000	286.1	7/2/2019	7/2/2019	Revenue EBIT Relative TSR ^(b)

(a) IFRS valuation standards.
(b) TSR = Total Shareholder Return.

PERFORMANCE SHARES AVAILABLE DURING THE FINANCIAL YEAR FOR DENIS THIERY, CHAIRMAN AND CEO

TABLE NO. 7 AMF RECOMMENDATION - AFEP-MEDEF CODE

	Date of plan	Number of shares available during the financial year	Acquisition conditions
Denis Thiery, Chairman and CEO	3/25/2013	13,500 ^(a)	0 ^(b)
Denis Thiery, Chairman and CEO	3/24/2014	12,330 ^(b)	0 ^(b)

(a) Shares available subject to meeting performance targets.
(b) Shares issued during the financial year.

RECORD OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED

TABLE NO. 8 AMF RECOMMENDATION - AFEP-MEDEF CODE

Stock options						
Meeting date	7/5/2006	7/5/2006	7/7/2009	7/7/2009	7/7/2009	7/7/2009
Board date (basis for exercising options)	1/15/2008	7/3/2008	2/18/2009	1/12/2010	1/12/2011	1/12/2012
Option expiry date	1/15/2018	7/3/2018	2/18/2019	1/12/2020	1/12/2021	1/12/2022
Performance conditions	no	no	yes	yes	yes	yes
Initial number of options able to be subscribed or purchased	462,000	9,500	325,885	475,000	239,400	260,800
of which, awarded subject to performance conditions	0	8,760	63,000	154,000	35,000	75,000
Adjusted number of options ^(a) able to be subscribed or purchased	341,265		226,883	346,181	197,013	225,618
Of which, the number able to be subscribed or purchased by the Chairman and CEO Denis Thiery	43,803		24,638	54,750	10,951	22,998
Initial subscription or purchase price (in €)	68.10	69.53	63.30	57.19	66.64	52.30
				57.89	67.24	53.50
Adjusted subscription or purchase prices ^(a) (in €)	62.19	63.51	57.81	52.23	60.86	47.76
				52.87	62.32	48.85
Total number of options subscribed	-		(602)	(27,172)	-	-
Cumulative number of share subscription or purchase options canceled or voided	(7,885)	(740)	(31,939)	(31,317)	(12,155)	(34,963)
TOTAL NUMBER OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS REMAINING AS OF 31 JANUARY 2017	333,380	8,760	194,342	287,692	184,858	181,655
of which able to be exercised by the Chairman and CEO Denis Thiery	43,803	0	12,387	43,800	8,723	11,114

(a) Adjusted following the dividend payments partially deducted from capital reserves.

RECORD OF PERFORMANCE SHARE AWARDS

TABLE NO. 9 AMF RECOMMENDATION - AFEP-MEDEF CODE

Free share awards					
Meeting date	7/6/2010	7/4/2012	7/4/2012	1/1/2015	7/1/2016
Board date	1/12/2012	3/25/2013	3/24/2014	7/1/2015	7/1/2016
Performance conditions	no	yes	yes	yes	yes
Total number of shares awarded, of which the number awarded:	82,700	146,900	150,060	199,500	149,000
to Chairman and CEO Denis Thiery	-	27,000	24,660	40,000	34,000
Share acquisition date					
Tranche 1	1/13/2014	3/26/2015	3/25/2016	7/2/2017	7/2/2019
Tranche 2	1/13/2015	3/26/2016	3/25/2017	7/2/2018	n/a
Conservation period end date					
Tranche 1	1/14/2016	3/27/2017	3/26/2018	7/3/2019	n/a
Tranche 2	1/14/2017	3/27/2018	3/26/2019	7/3/2020	n/a
Number of shares acquired	67,790	3,740	0	-	-
Cumulative number of shares canceled or voided	9,795	120,960	82,130	22,500	2,500
NUMBER OF SHARES REMAINING AS OF 31 JANUARY 2017	5,115 ^(a)	22,200	67,930	177,000	146,500

(A) Awaiting delivery for the international plan.

In application of Article L. 621-18-2 of the French Monetary and Financial Code, declarations on Neopost securities transactions by Denis Thiery have been disclosed to the AMF and published on the Group's website.

It should be noted that Denis Thiery undertook to hold a minimum of 50,000 Neopost shares until the end of his corporate mandate. Mr. Denis Thiery and his affiliated parties hold 145,484 shares as of 31 January 2017.

TABLE NO. 10 AMF RECOMMENDATION - AFEP-MEDEF CODE

This table describes the long-term variable remuneration. It is not shown here because this method of remuneration is not used by Neopost.

TABLE NO. 11 AMF RECOMMENDATION - AFEP-MEDEF CODE

Executive corporate officers	Employment contract	Supplementary pension scheme	Compensation or benefits due or likely to be due as a result of termination or changing roles	Compensation relating to a non-compete clause
Denis Thiery	Suspended	yes	no	no
Start of mandate: January 12, 2010				
End of mandate as director: renewal submitted to the General Meeting ruling on the accounts up to January 31, 2019				

Neopost is guided by the Corporate Governance Code for listed companies published by Afep-Medef in November 2016. The Chairman of the Board of Directors' report on the composition of the Board of Directors, the preparation and organization of its work and the Company's internal control and risk management procedures, which appear in the 2016 Registration Document, sets out on page 26 Neopost's positions and explanations on Afep-Medef's recommendations on disassociating the roles of Chairman of the Board of Directors and Chairman and CEO, as well as on not holding a corporate mandate and employment contract simultaneously.

The Chairman and CEO's supplementary pension scheme is made up of a defined-contribution scheme (Article 83 of the French General Tax Code) with a total contribution of 5% of salary, subject to a limit of five times the Social Security ceiling, as well as a defined-benefits scheme (Article 39 of the French General Tax Code) with a guaranteed annuity of 1.1% of salary for each year of employment for a minimum of eight years and a maximum of twenty years, with this annuity being paid after deduction of annuities paid under defined-contribution schemes in force.

The estimated total annual annuity as of 31 January 2017 for the Chairman and CEO would be €210,783 under the supplementary pension scheme. To benefit from this annuity, the Chairman and CEO must definitively end his professional career, be part of Neopost S.A.'s workforce as of the retirement date and liquidate his pension from both the French Social Security pension scheme and supplementary schemes.

Over the 2016 financial year, the cumulative amount of contributions paid under the defined-contribution scheme was €9,666.75.

Afep-Medef table no. 3 does not appear in this report as it does not relate to the remuneration of executive corporate officers.