Dear Shareholders,

Pursuant to article L. 225-37-2 of the French Commercial Code, as introduced by the law on transparency, the fight against corruption and the modernization of the economy, known as the Sapin II law, this report drawn up by the Board of Directors sets out the principles and criteria for establishing, distributing and awarding the fixed, variable and exceptional components comprising the total remuneration and fringe benefits awarded to the Chairman and CEO, Mr. Denis Thiery, on account of his corporate mandate, which shall be voted on under the 7th resolution put to the General Meeting of 30 June 2017.

Should the General Shareholder Meeting of 30 June 2017 not approve this resolution, the remuneration shall be set in accordance with the remuneration awarded for the previous financial year.

Pursuant to article L.225-37-2, it is hereby specified that the payment of variable and exceptional components to Mr. Denis Thiery for the 2017 financial year shall be subject to approval by the general meeting called to rule on the accounts ending on 31 January 2018.

To date, Mr Denis Thiery, in his capacity as Chairman and CEO, is the only corporate officer concerned by this report.

At Neopost, corporate director remuneration policy is established by the Board of Directors following a proposal by the Remuneration Committee.

The Board of Directors and the Remuneration Committee refer in particular to the recommendations of the Afep/Medef Code when establishing the remuneration and benefits awarded to its executive director. In accordance with these recommendations, they ensure this remuneration policy complies with principles of comprehensiveness, balance, comparability, consistency, transparency and measure, as well as taking market practice into account.

The remuneration policy for the Chairman and CEO is therefore established on the basis of his duties within Neopost, his experience, years of service and performance, as well as market practice. Any future salary increases shall take into account the performance of Neopost and market practice.

Due to the amount of time spent in the United States on account of the importance of this country for Neopost, approximately 20% of Mr. Denis Thiery's fixed and variable remuneration is paid in dollars by the subsidiary Mailroom Holding Inc.

In the Board of Directors' opinion, the decision to retain the employment contract of the Chairman and CEO, initially agreed on 1 October 1998, is justified by 18
years of service in the Group and 10 years under this employment contract until it was suspended in 2007 when he was appointed Chief Executive Officer and complies with the Group's internal promotion policy. This policy promotes the appointment of experienced executives, with in-depth knowledge of the sectors and markets in which Neopost is involved, to corporate officer positions. The loss of rights related to their employment contract and years of service (such as branch redundancy compensation) potentially hinders this policy.

The employment contract of the current Chairman and CEO has been suspended and does not contain any clause relating to severance payments.

Decisions regarding the Chairman and CEO’s remuneration are the responsibility of the Board of Directors and are based on proposals from the Remuneration Committee.

Remuneration for Neopost’s Chairman and CEO comprises directors’ fees, fixed remuneration, annual variable remuneration, performance shares, pension commitments and fringe benefits.

1. Directors’ (attendance) fees

The Board of Directors may decide to pay the executive director attendance fees. The principle is to award a fixed amount.

The Chairman and CEO should receive €30,000 in attendance fees in 2017 for the corporate position he holds in Neopost SA. This amount is unchanged from the previous year.

2. Fixed annual remuneration

Fixed annual remuneration is set by the Board of Directors following a recommendation from the Remuneration Committee applying the principles of the Afep-Medef Code. The fixed remuneration of Neopost’s Chairman and CEO has been established in relation to the scope of the position and practice observed in French and international groups where the activity, revenue, market capitalization, number of employees and challenges are similar to those of Neopost.

For 2017, as in every year, the Remuneration Committee uses studies produced by the external consultants Willis Towers Watson to obtain remuneration benchmarks for all Board positions. As regards Chairman and CEO remuneration, the Committee refers to a panel comprising 15 companies and, with the assistance of the aforementioned consultants, verifies the positioning of the Chairman and CEO’s remuneration, which appears in line with the practices of this panel, both in terms of structure and amount.

For the 2017 financial year, the fixed annual remuneration of Mr. Denis Thiery shall be kept at the same level as for 2016.
3. Variable annual remuneration

The structure of the variable annual remuneration of the Chairman and CEO, Mr. Denis Thiery, also remains unchanged.

Variable annual remuneration depends on the Chairman and CEO’s performance, as well as on progress achieved by the Group.

In 2017, for example, the variable component of Neopost’s Chairman and CEO’s remuneration accounted for 100% of the fixed component for quantitative and qualitative objectives achieved. This can rise to 150% if objectives are exceeded.

Variable remuneration is based on Group results regarding revenue, operating margins and capital employed comprising 80% of the target bonus, with the remaining 20% comprising specific qualitative objectives regarding individual performance.

2017 Group criteria is as follows:

<table>
<thead>
<tr>
<th>Weight</th>
<th>Criteria</th>
<th>Ceiling (0.0%)</th>
<th>Target (100%)</th>
<th>Maximum (150%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>Revenue</td>
<td>1,091.9</td>
<td>1,149.4</td>
<td>1,183.9</td>
</tr>
<tr>
<td>40%</td>
<td>EBIT</td>
<td>17.1%</td>
<td>18.4%</td>
<td>19.1%</td>
</tr>
<tr>
<td>20%</td>
<td>Capital employed</td>
<td>(37.4)</td>
<td>(41.5)</td>
<td>(45.7)</td>
</tr>
</tbody>
</table>

The qualitative component is based on achieving formalized individual objectives, namely criteria relating to the strategic, commercial and technological developments of the Group as well as the Group’s organization, together with the management and development of talents and the succession plan for key positions within the Group.

For 2017, the qualitative objectives of Mr. Denis Thiery are as follows:

- developing the executive management team;
- finalizing the structure and development of Neopost Shipping;
- continuing the development of the Enterprise Digital Solutions division;
- stepping up the development of new activities relating to digital communication and shipping within the SME Solutions division;
- the executive committee succession plan.

4. Performance shares

The long-term component of Neopost’s Chairman and CEO’s remuneration also remains unchanged. This solely comprises plans for awarding free performance shares that are open to a range of beneficiaries within the Group. The shares awarded to Mr. Denis Thiery are capped at 20% of the total allocated.

The final acquisition of the free shares allocated is subject to conditions of performance recorded three years after the date of allocation.

The delivery of free shares is subject to the existence of a corporate mandate or employment contract with the Group. Subsequently, no deliveries can take place after the termination of existing mandates and employment contracts.

It is hereby specified that the Chairman and CEO undertakes to hold a minimum of 50,000 Neopost shares until the end of his corporate mandate.
5. The commitment specified in the first and sixth paragraphs of article L. 225-42-1

The supplementary pension scheme for the Chairman and CEO, together with the scheme of executive committee members who are Neopost S.A employees, remains unchanged.

The supplementary Chairman and CEO pension scheme comprises a pension plan with defined contributions (article 83 of the French General Tax Code) into which 5% of remuneration is paid, limited to 5 times the annual limit established by the French social security system, and a pension plan with defined benefits (article 39 of the French General Tax Code) with an annuity obligation of 1.1% of salary per year of service, for a minimum of eight years and a maximum of twenty years, with this annuity being paid after deductions as provided under the defined contribution schemes in force.

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 entitlements from both the French Social Security pension scheme and supplementary schemes.

6. Fringe benefits

The Chairman and CEO benefits from unemployment insurance for corporate directors and a company car.

The Chairman and CEO does not receive any remuneration for his corporate mandate. He does not therefore receive any long-term variable remuneration, exceptional remuneration or any allocation of options to subscribe to or purchase shares. He is not entitled to any severance pay.