

[CONFORMED COPY]

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**Certified Copy**  
**PITNEY-BOWES, INC.**

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**Certificate of Designation and Terms**

**of**

**4% CONVERTIBLE CUMULATIVE PREFERRED STOCK**

**(Pursuant to Section 151 of the General Corporation  
Law of the State of Delaware)**

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***Dated April 25, 1967***

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**PITNEY-BOWES, INC.**

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**Certificate of Designation and Terms  
of**

**4% CONVERTIBLE CUMULATIVE PREFERRED STOCK**

**(Pursuant to Section 151 of the General Corporation  
Law of the State of Delaware)**

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We, the undersigned, EDWARD V. McDONOUGH and CHARLES P. COLLINS, Vice President and Secretary, respectively, of PITNEY-BOWES, INC. (hereinafter called the "Company"), a corporation organized and existing under the General Corporation Law of the State of Delaware, in accordance with the provisions of Section 13 thereof DO HEREBY CERTIFY:

That, pursuant to authority expressly vested in the Board of Directors of the Company by Article Fourth of the Certificate of Incorporation of the Company as amended, said Board of Directors, at a meeting duly held and convened on the 24th day of April, 1967, adopted a resolution providing for the issue of a series of Cumulative Preferred Stock, and that a copy of such resolution is as follows:

"RESOLVED, that 240,000 shares of the total authorized amount of 600,000 shares of Cumulative Preferred Stock be issued in and constitute a single series designated "4% Convertible Cumulative Preferred Stock" (hereinafter called "Series"), such Series to have the voting powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, set forth in heading I of Article Fourth of the Certificate of Incorporation, as heretofore amended, and hereinafter set forth:

1. The dividend rate on the Series shall be 4% per annum, and dividends thereon shall be payable quarterly on the first days of February, May, August and November in each year. Dividends on shares of the Series shall be cumulative from and after the respective dates of issue thereof.

2. The premium, over and above the par value thereof and accrued dividends thereon, payable upon redemption of shares of the Series pursuant to the provisions of subheading D of heading I of Article Fourth of the Certificate of Incorporation as amended, shall be the following amounts per share:

\$2.00 if the redemption date is prior to May 1, 1972;

\$1.25 if the redemption date is on or after May 1, 1972  
and prior to May 1, 1977;

\$0.50 if the redemption date is on or after May 1, 1977  
and prior to May 1, 1982;

\$0.00 if the redemption date is on or after May 1, 1982.

3. The premium, over and above the par value thereof and accrued dividends thereon, which shares of the Series shall be entitled to receive upon the voluntary liquidation, dissolution or winding up of the Company pursuant to the provisions of subheading C of heading I of Article Fourth of the Certificate of Incorporation as amended, shall be the same premium, if any, as would be payable pursuant to the provisions of the foregoing paragraph (2) of this resolution if all such shares were called for redemption on the date of the final distribution to the holders of the Series.

4. The holders of shares of this Series shall have the right, at their option, to convert such shares into shares of Common Stock of the Company at any time on and subject to the following terms and conditions:

(1) The shares of this Series shall be convertible at the office of any Transfer Agent, and at such other office or offices, if any, as the Board of Directors may designate, into full paid and non-assessable shares (calculated as to each conversion to the nearest 1/100th of a share) of Common Stock of the Company, at the conversion price, determined as hereinafter provided, in effect at the time of conversion, each share of this Series being taken at \$50 for the purpose of such conversion. The price at which shares of Common Stock shall be delivered upon conversion (herein called the "conversion price") shall be initially \$70 per share of Common Stock. The conversion

price shall be reduced in certain instances as provided in paragraphs (3), (9) and (10) below, and shall be increased in certain instances as provided in paragraph (10) below. No payment or adjustment shall be made upon any conversion on account of any dividends accrued on the shares of this Series surrendered for conversion or on account of any dividends on the Common Stock issued upon such conversion.

(2) In order to convert shares of this Series into Common Stock the holder thereof shall surrender at any office hereinabove mentioned the certificate or certificates therefor, duly endorsed to the Company or in blank, and give written notice to the Company at said office that he elects to convert such shares. Shares of this Series shall be deemed to have been converted immediately prior to the close of business on the day of the surrender of such shares for conversion as provided above, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the conversion date, the Company shall issue and shall deliver at said office a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with a scrip certificate for, or cash in lieu of, any fraction of a share, as hereinafter provided, to the person or persons entitled to receive the same. In case shares of this Series are called for redemption, the right to convert such shares shall cease and terminate at the close of business on the Redemption Date, unless default shall be made in payment of the redemption price.

(3) In case the conversion price in effect immediately prior to the close of business on any day shall exceed by 50 cents or more the amount determined at the close of business on such day by dividing:

(i) a sum equal to (a) 4,565,687 multiplied by \$70 (being the initial conversion price), plus (b) the aggregate of the amounts of all consideration received by the Company upon the issuance of Additional Shares of Common Stock (as hereinafter defined), minus (c) the aggregate of the amounts

of all dividends and other distributions which have been paid or made after May 1, 1967 on Common Stock of the Company, other than in cash out of its earned surplus or in Common Stock of the Company, by

(ii) the sum of (a) 4,565,687 and (b) the number of Additional Shares of Common Stock which shall have been issued,

the conversion price shall be reduced, effective immediately prior to the opening of business on the next succeeding day, by an amount equal to the amount by which such conversion price shall exceed the amount so determined. The foregoing amount of 50 cents (or such amount as theretofore adjusted) shall be subject to adjustment as provided in paragraphs (9) and (10) below, and such amount (or such amount as theretofore adjusted) is referred to in such paragraphs as the "Differential Amount."

(4) The term "Additional Shares of Common Stock" as used herein shall mean all shares of Common Stock issued by the Company after May 1, 1967 (including shares deemed to be "Additional Shares of Common Stock" pursuant to paragraph (10) below), whether or not subsequently reacquired or retired by the Company, other than:

(i) shares issued upon conversion of shares of this Series;

(ii) shares issued upon exercise of options granted or to be granted pursuant to the Company's Stock Purchase Plans as in effect on May 1, 1967, in an aggregate number of shares not exceeding the number of shares issuable under such Plans as in effect on such date (or such number of shares as adjusted pursuant to anti-dilution provisions of such Plans); and

(iii) shares issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares of Common Stock by the foregoing clauses (i) or (ii) or this clause (iii) or on shares of Common Stock resulting from any subdivision or combination of shares of Common Stock so excluded.

The sale or other disposition of any shares of Common Stock or other securities held in the treasury of the Company shall not be deemed an issuance thereof.

(5) In case of the issuance of Additional Shares of Common Stock for a consideration part or all of which shall be cash, the amount of the cash consideration therefor shall be deemed to be the amount of cash received by the Company for such shares (or, if such Additional Shares of Common Stock are offered by the Company for subscription, the subscription price, or, if such Additional Shares of Common Stock are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred in connection therewith.

(6) In case of the issuance (otherwise than as a dividend or other distribution on any stock of the Company or upon conversion or exchange of other securities of the Company) of Additional Shares of Common Stock for a consideration part or all of which shall be other than cash, the amount of the consideration therefor other than cash shall be deemed to be the value of such consideration as determined by the Board of Directors, irrespective of the accounting treatment thereof. The reclassification of securities other than Common Stock into securities including Common Stock shall be deemed to involve the issuance for a consideration other than cash of such Common Stock immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such Common Stock.

(7) Additional Shares of Common Stock issuable by way of dividend or other distribution on any class of capital stock of the Company shall be deemed to have been issued without consideration, and shall be deemed to have been issued immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution, except that if the total number of shares constituting such

dividend or other distribution exceeds five per cent of the total number of shares of Common Stock outstanding at the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution such Additional Shares of Common Stock shall be deemed to have been issued immediately after the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution.

A dividend or other distribution in cash or in property (including any dividend or other distribution in securities other than Common Stock) shall be deemed to have been paid or made immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution and the amount of such dividend or other distribution in property shall be deemed to be the value of such property as of the date of the adoption of the resolution declaring such dividend or other distribution, as determined by the Board of Directors at or as of that date. In the case of any such dividend or other distribution on Common Stock which consists of securities which are convertible into or exchangeable for shares of Common Stock, such securities shall be deemed to have been issued for a consideration equal to the value thereof as so determined.

If, upon the payment of any dividend or other distribution in cash or in property (excluding Common Stock but including all other securities), outstanding shares of Common Stock are cancelled or required to be surrendered for cancellation, on a *pro rata* basis, the excess of the number of shares of Common Stock outstanding immediately prior thereto over the number to be outstanding immediately thereafter (less that portion of such excess attributable to the cancellation of shares excluded from the definition of Additional Shares of Common Stock by clauses (i), (ii) or (iii) of paragraph (4) above), shall be deducted from the sum computed pursuant to clause (ii) of paragraph (3) above for the purposes of all determinations under such paragraph (3) made immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution and at any time thereafter.

The reclassification (including any reclassification upon a consolidation or merger in which the Company is the continuing corporation) of Common Stock into securities including other than Common Stock shall be deemed to involve (a) a distribution on Common Stock of such securities other than Common Stock made immediately prior to the close of business on the effective date of the reclassification, and (b) a combination or subdivision, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter.

The issuance by the Company of rights or warrants to subscribe for or purchase securities of the Company shall not be deemed to be a dividend or distribution of any kind.

(8) In case of the issuance of Additional Shares of Common Stock upon conversion or exchange of other securities of the Company, the amount of the consideration received by the Company for such Additional Shares of Common Stock shall be deemed to be the total of (a) the amount of the consideration, if any, received by the Company upon the issuance of such other securities, plus (b) the amount of the consideration, if any, other than such other securities, received by the Company (except in adjustment of interest or dividends) upon such conversion or exchange. In determining the amount of the consideration received by the Company upon the issuance of such other securities (i) the amount of the consideration in cash and other than cash shall be determined pursuant to paragraphs (5), (6) and (7) above, and (ii) if securities of the same class or series of a class as such other securities were issued for different amounts of consideration, or if some were issued for no consideration, then the amount of the consideration received by the Company upon the issuance of each of the securities of such class or series, as the case may be, shall be deemed to be the average amount of the consideration received by the Company upon the issuance of all the securities of such class or series, as the case may be.

(9) In case Additional Shares of Common Stock are issued as a dividend or other distribution on any class of capital stock



of the Company, and the total number of shares constituting such dividend or other distribution exceeds five per cent of the total number of shares of Common Stock outstanding at the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution, the conversion price and the Differential Amount in effect at the opening of business on the day following the date fixed for such determination shall be reduced by multiplying each of them by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reductions to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (9), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock (other than shares of Common Stock which, upon issuance, would not constitute Additional Shares of Common Stock). The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(10) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the conversion price and the Differential Amount in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall each be proportionately reduced, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the conversion price and the Differential Amount in effect at the opening of business on the day following the day upon which such combination becomes effective shall each be proportionately increased, such reductions or increases as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective. In

the event of any such subdivision, the number of shares of Common Stock outstanding immediately thereafter, to the extent of the excess thereof over the number outstanding immediately prior thereto (less that portion of such excess attributable to the subdivision of shares excluded from the definition of Additional Shares of Common Stock by clauses (i), (ii) or (iii) of paragraph (4) above), shall be deemed to be "Additional Shares of Common Stock" and to have been issued immediately after the opening of business on the day following the day upon which such subdivision shall have become effective and without consideration. In the event of any such combination, the excess of the number of shares of Common Stock outstanding immediately prior thereto over the number outstanding immediately thereafter (less that portion of such excess attributable to the combination of shares excluded from the definition of Additional Shares of Common Stock by clauses (i), (ii) or (iii) of paragraph (4) above), shall be deducted from the sum computed pursuant to clause (ii) of paragraph (3) above for the purposes of all determinations under such paragraph (3) made on any day after the day upon which such combination becomes effective. Shares of Common Stock held in the treasury of the Company and shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock (other than shares of Common Stock which, upon issuance, would not constitute Additional Shares of Common Stock) shall be considered outstanding for the purposes of this paragraph (10).

(11) Whenever the conversion price is adjusted as herein provided:

(a) the Company shall compute the adjusted conversion price in accordance with this Section 4 and shall prepare a certificate signed by the Treasurer of the Company setting forth the adjusted conversion price and showing in reasonable detail the facts upon which such adjustment is based, including a statement of the consideration received or to be received by the Company for, and the amount of, any Additional Shares of Common Stock issued since the last such adjustment, and such certificate shall forthwith be filed with the Transfer Agent or Agents for this Series; and

(b) a notice stating that the conversion price has been adjusted and setting forth the adjusted conversion price shall forthwith be required, and as soon as practicable after it is required, such notice shall be published at least once in a daily newspaper in the City of New York, N. Y., and shall be mailed to the holders of record of the outstanding shares of this Series; provided, however, that if within ten days after the completion of mailing of such a notice, an additional notice is required, such additional notice shall be deemed to be required pursuant to this clause (b) as of the opening of business on the tenth day after such completion of mailing and shall set forth the conversion price as adjusted at such opening of business, and upon the publication and mailing of such additional notice no other notice need be given of any adjustment in the conversion price occurring at or prior to such opening of business and after the time that the next preceding notice given by publication and mail became required.

(12) In case:

(a) the Company shall declare a dividend (or any other distribution) on its Common Stock payable otherwise than in cash out of its earned surplus; or

(b) the Company shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of capital stock of any class or of any other rights; or

(c) of any reclassification of the capital stock of the Company (other than a subdivision or combination of its outstanding shares of Common Stock), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

(d) of the voluntary or involuntary dissolution, liquidation or winding up of the Company; then the Company shall cause to be mailed to the Transfer Agent or Agents for this

Series and to the holders of record of the outstanding shares of this Series, at least twenty days (or ten days in any case specified in clause (a) or (b) above) prior to the applicable record date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up.

(13) The Company shall at all times reserve and keep available, free from pre-emptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of the shares of this Series, the full number of shares of Common Stock then deliverable upon the conversion of all shares of this Series then outstanding.

(14) No fractional shares of Common Stock shall be issued upon conversion, but, instead of any fraction of a share which would otherwise be issuable, the Company shall, at its option, either

(a) issue non-dividend bearing and non-voting scrip certificates for such fraction, such certificates to be in such form and to contain such terms and conditions as the Board of Directors shall at any time or from time to time in its discretion fix and determine, provided that the certificates shall be exchangeable, within such period (which shall end not less than two years following the date of issue thereof) as the Board of Directors shall determine, together with other scrip certificates issued upon conversion of shares of this Series, for stock certificates representing a full share or shares, and upon the expiration of such period shall be exchangeable for cash,

as provided in the scrip certificates, within such further period (which shall end not less than six years following the date of issue of such certificates) as the Board of Directors shall determine; or

(b) pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the market price per share of Common Stock (as determined by the Board of Directors) at the close of business on the day of conversion.

(15) The Company will pay any and all taxes that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of shares of this Series pursuant hereto. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of this Series so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Company the amount of any such tax, or has established, to the satisfaction of the Company, that such tax has been paid.

(16) For the purpose of this Section 4, the term "Common Stock" shall include any stock of any class of the Company which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, and which is not subject to redemption by the Company. However, shares issuable on conversion of shares of this Series shall include only shares of the class designated as Common Stock of the Company as of May 1, 1967, or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and which are not subject to redemption by the Company; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number

of shares of all such classes resulting from all such reclassifications.

5. So long as any shares of the Series are outstanding, the Company shall not declare any cash dividend on its Common Stock, nor shall the Company or any Subsidiary purchase, redeem or otherwise acquire for a cash consideration any shares of such Common Stock, if, after giving effect to the proposed declaration or acquisition, (i) the aggregate amount of all cash dividends on capital stock of the Company of all classes paid or made after December 31, 1966, plus (ii) the excess, if any, of the aggregate amount of all cash payments made subsequent to such date on account of the purchase, redemption or other acquisition of shares of such Common Stock over the aggregate amount of the net cash proceeds to the Company from sales subsequent to such date of shares of such Common Stock, would exceed \$10,000,000 plus (or minus in the case of a deficit) the consolidated net income of the Company and its consolidated Subsidiaries for the period from December 31, 1966 to the end of the last calendar month preceding the date of such proposed declaration or acquisition. For the purposes of this paragraph, Common Stock issued upon conversion of other securities shall be deemed issued for cash amounting, where such other securities were evidences of indebtedness, to their principal amount, and where preferred stock, to their involuntary liquidation preference."

IN WITNESS WHEREOF, said Pitney-Bowes, Inc. has caused its corporate seal to be hereunto affixed and this certificate to be signed by its Vice President, Edward V. McDonough, and its Secretary, Charles P. Collins, this 25th day of April, 1967.

PITNEY-BOWES, INC.

By EDWARD V. McDONOUGH  
*Vice President*

CHARLES P. COLLINS  
*Secretary*

PITNEY-BOWES, INC.  
CORPORATE  
SEAL  
1920  
DELAWARE

STATE OF CONNECTICUT, }  
COUNTY OF FAIRFIELD } ss.:

BE IT REMEMBERED that on this 25th day of April A. D. 1967, personally came before me, EMMA DIORIO, a Notary Public in and for the County and State aforesaid, EDWARD V. McDONOUGH, Vice President of PITNEY-BOWES, Inc., a corporation of the State of Delaware, the corporation described in and which executed the foregoing certificate, known to me personally to be such, and he, the said EDWARD V. McDONOUGH as such Vice President duly executed the certificate before me and acknowledged the said certificate to be his act and deed and the act and deed of said corporation; that the signatures of the said Vice President and of the Secretary of said corporation to said foregoing certificate are in the handwriting of the said Vice President and Secretary of said corporation respectively, and that the seal affixed to said certificate is the common or corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

EMMA DIORIO  
My Commission Expires Mar. 31, 1972

EMMA DIORIO  
NOTARY PUBLIC  
CONNECTICUT

# State of Delaware



## Office of Secretary of State

*I, Elisha C. Dukes, Secretary of State of the State of Delaware,*  
do hereby certify that the above and foregoing is a true and correct copy of  
Certificate of Designation and Terms of 4% Convertible Cumulative  
Preferred Stock of the "PITNEY-BOWES, INC.", as received and filed  
in this office the twenty-sixth day of April, A.D. 1967, at 10  
o'clock A.M.

In Testimony Whereof, I have hereunto set my hand  
and official seal at Dover this fourth day  
of May in the year of our Lord  
one thousand nine hundred and sixty-seven.

*Elisha C. Dukes*

Secretary of State

*G. L. Loomis*

Asst Secretary of State