CIT GROUP INC
Form DEF 14A
April 23, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934

Filed by the Registrant |X|

Filed by a party other than the Registrant |_|

Check the appropriate box:

|_| Preliminary Proxy Statement

|_| Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

|X| Definitive Proxy Statement

|_| Definitive Additional Materials

|_| Soliciting Material Pursuant to ss.240.14a-12

CIT GROUP INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

|X| No fee required.

|_| Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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|_| Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

CIT

CIT GROUP INC.
1 CIT Drive
Livingston, New Jersey 07039

April 23, 2003

Dear Stockholder:

You are cordially invited to attend our Annual Meeting of Stockholders on Wednesday, May 28, 2003, at 11:00 a.m., Eastern time at our offices at 1 CIT Drive, Livingston, New Jersey 07039.

The notice of meeting and proxy statement following this letter describe the business to be transacted. You are asked to elect your Board of Directors for the upcoming year, to ratify the appointment of PricewaterhouseCoopers LLP as our independent public accountants and to approve three of our employee benefit plans.

Whether or not you are personally able to attend the Annual Meeting, please complete, sign and date the enclosed proxy card and return it in the enclosed envelope as soon as possible, or follow the enclosed instructions to vote electronically. Your vote is very important. This will not limit your right to attend the meeting and vote in person.

Sincerely yours,

/s/ Albert R. Gamper, Jr.

Albert R. Gamper, Jr.
Chairman, President and
Chief Executive Officer

CIT

CIT GROUP INC.
1 CIT Drive
Livingston, New Jersey 07039

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 28, 2003

TO OUR STOCKHOLDERS:

The annual meeting of stockholders of CIT Group Inc. will be held at the executive offices of CIT, 1 CIT Drive, Livingston, New Jersey 07039, on Wednesday, May 28, 2003 at 11:00 a.m. Eastern time, for the following purposes:

1. To elect 8 directors to serve for one year or until the next annual meeting of stockholders;

2. To ratify the appointment of PricewaterhouseCoopers LLP as CIT's independent accountants for 2003;

3. To approve the Long-Term Equity Compensation Plan, as amended;

4. To approve the Annual Bonus Plan;

5. To approve the Employee Stock Purchase Plan; and

6. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The CIT Board of Directors has fixed the close of business on April 1, 2003 as the record date for determining holders of CIT Common Stock entitled to notice of and to vote at the meeting.

You are cordially invited to attend the meeting. Whether or not you are personally able to attend the meeting, please complete, sign, date and return the accompanying proxy card, or cast your vote electronically, as soon as possible.

By Order of the Board of Directors,

/s/ Robert J. Ingato

Robert J. Ingato
Executive Vice President,
General Counsel and Secretary

Livingston, New Jersey
April 23, 2003

YOUR VOTE IS IMPORTANT
PLEASE SIGN, DATE AND RETURN YOUR PROXY CARD.

CIT GROUP INC.

PROXY STATEMENT

We are mailing this proxy statement and the accompanying form of proxy beginning on or about April 23, 2003 to holders of record on April 1, 2003 of CIT Group Inc. Common Stock (the "Common Stock").

We are furnishing this proxy statement and form of proxy in connection with the solicitation of proxies by our Board of Directors (the "Board") for use at the 2003 Annual Meeting of Stockholders. You may direct how your shares are to be voted by submitting the enclosed proxy card or by following the enclosed electronic voting instructions. We will bear the cost of soliciting proxies in the accompanying form. We have retained D. F. King, Inc. to assist us in this proxy solicitation, and we anticipate that their fees will be less than $10,000. We also may pay brokers, nominees, fiduciaries and other custodians their reasonable fees and expenses for sending proxy materials to beneficial owners and obtaining their instructions. In addition to solicitation by mail, our directors, officers and other employees may solicit proxies in person, by telephone, facsimile transmission or other means of electronic communication.

All duly executed proxies received or submitted electronically prior to the Annual Meeting will be voted in accordance with the choices specified. If you submit a written or electronic proxy, but you do not specify a choice as to any matter or any other business that may properly come before the meeting, the proxy will be voted in the discretion of the persons named in the proxy. If you grant a proxy, you may revoke it at any time before it is voted at the meeting by filing an instrument revoking the proxy with the Secretary of CIT, at our address shown, by delivering a duly executed proxy bearing a later date or by appearing at the Annual Meeting and voting in person. However, if you instructed a broker on how to vote your shares, you must follow directions received from your broker if you wish to change your vote.

As of April 1, 2003, there were approximately 212,097,826 shares of Common Stock outstanding. Each holder of record of Common Stock is entitled to one vote per share on each matter presented for a vote of stockholders. A quorum for transaction of business at the Annual Meeting is a majority of the Common Stock entitled to vote at an Annual Meeting, which may be present either in person or by proxy.

In determining whether a quorum exists, we will include shares represented by proxies that reflect abstentions and shares referred to as "broker non-votes" (i.e., shares held by brokers or nominees for which instructions have not been received from the beneficial owners or persons entitled to vote that the broker or nominee does not have discretionary power to vote on a particular matter). Brokers who are members of the National Association of Securities Dealers, Inc. may not vote shares held by them in nominee name unless they are permitted to do so under the rules of any national securities exchange to which they belong. Under New York Stock Exchange rules, a member broker that has transmitted proxy soliciting materials to a beneficial owner may not vote on matters that are not routine if the beneficial owner has not provided the broker with voting instructions. Broker non-votes and abstentions will have no effect on the outcome of the proposals scheduled to be presented at the Annual Meeting.

The following table indicates the votes required to approve each of the proposals to be presented at the Annual Meeting:

Proposal	Approval Required
1. Election of Directors	a plurality of the votes cast at the Annual Meeting
2. Ratification of Independent ..... Accountants	a majority of the voting power represented and entitled to vote at the Annual Meeting
3. Approval of Long-Term Equity	a majority of the voting power represented and entitled to Compensation Plan, as amended vote at the Annual Meeting
4. Approval of Annual Bonus Plan ...	a majority of the voting power represented and entitled to vote at the Annual Meeting
5. Approval of Employee Stock ...... Purchase Plan	a majority of the voting power represented and entitled to vote at the Annual Meeting

We know of no other matter to be presented at the Annual Meeting. Under our By-Laws, no business may be transacted at the Annual Meeting other than business that is (a) stated in the Notice of Annual Meeting, (b) proposed at the direction of our Board, or (c) proposed by any CIT stockholder who is entitled to vote at the meeting and who has complied with the notice procedures in our By-Laws. Unless you indicate contrary instructions to those set forth in the proxy for the Annual Meeting, the persons named in the proxy have indicated that they will cast the number of votes represented by the proxy for the election of each of the nominees listed below as directors, in favor of each of Proposals 2 through 5 and in their discretion upon such other business as may be properly brought before the Annual Meeting.

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PROPOSAL 1

ELECTION OF DIRECTORS

Our initial public offering ("IPO") for our Common Stock was completed on July 8, 2002. After our IPO, our Board met 1 time during the fiscal year ended September 30, 2002 and 2 times during the transition period ended December 31, 2002. After our IPO, the Audit Committee and the Compensation and Governance Committee each met 1 time during the fiscal year ended September 30, 2002, while the Audit Committee met 3 times and the Compensation and Governance Committee met 2 times during the transition period ended December 31, 2002. All of the nominees listed below attended at least 75% of the meetings of the Board and any applicable committee meetings held during such periods, except for Ms. Parrs and Ms. Van Deusen, who were appointed by the Board on January 21, 2003.

The directors elected at the Annual Meeting will each serve for a term of one year, or until the next annual meeting of stockholders. Should any nominee become unavailable for election, the Board may designate another nominee, in which case the persons acting under duly executed proxies will vote for the election of the replacement nominee. Management is not aware of any circumstances likely to render any nominee unavailable. Election of directors will be by a plurality of the votes cast.

Nominees

The following sets forth information concerning the eight nominees for election as directors at the meeting, including information as to each nominee's age as of February 15, 2003 and business experience during the past five years. This information was provided to CIT by the nominees. CIT knows of no family relationship among the nominees. In addition to the information reported below, certain directors are also directors or trustees of privately held businesses or not-for-profit entities that are not referred to below.

Name	Age	Position
Albert R. Gamper, Jr.	60	Chairman, President and Chief Executive Officer of CIT
John S. Chen	47	Chairman, President and Chief Executive Officer of Sybase, Inc.
William A. Farlinger	73	Chairman of Ontario Power Generation Inc.
Hon. Thomas H. Kean	67	President of Drew University and Former Governor of New Jersey
Edward J. Kelly, III	49	President and Chief Executive Officer of Mercantile Bankshares Corporation.
Marianne Miller Parrs	58	Executive Vice President of International

		Paper Company
Peter J. Tobin	58	Dean of Peter J. Tobin College of Business, St. John's University
Lois M. Van Deusen	63	Managing Partner of McCarter & English, LLP

Albert R. Gamper, Jr has served as President and Chief Executive Officer since May 1987, and has also served as Chairman since July 1, 2002, from January 2000 to May 2001, and from May 1987 to December 1989. Mr. Gamper has been a director of CIT since May 1984. Prior to December 1989, Mr. Gamper also held a number of executive positions at Manufacturers Hanover Corporation, a prior owner of CIT, where he had been employed since 1962. Mr. Gamper is a director of Public Service Enterprise Group Incorporated, Chairman of the Board of Directors of St. Barnabas Corporation and a member of the Board of Trustees of Rutgers University.

John S. Chen has served as a director of CIT since July 1, 2002, and previously from October 2000 to June 1, 2001. Mr. Chen has served as Chairman, President and Chief Executive Officer of Sybase, Inc., a software developer, since August 1997. From 1991 to 1997, Mr. Chen served in a variety of positions with Siemens Nixdorf and with Pyramid Technology Corporation, which was acquired by Siemens Nixdorf in 1995, including as Executive Vice President of Pyramid in 1991, as President and Chief Operating Officer and a director of Pyramid in 1993 and as President and Chief Executive Officer of Siemens Nixdorf's Open Enterprise Computing Division in 1996. Mr. Chen is also a director of Sybase, Inc.

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William A. Farlinger has served as a director of CIT since July 1, 2002, and previously from November 1999 to June 1, 2001. Mr. Farlinger has served as Chairman of Ontario Power Generation Inc. (formerly Ontario Hydro) since November 1995, and was also Chairman, President and Chief Executive Officer from August 1997 to March 1998. Prior to joining Ontario Hydro, Mr. Farlinger spent his entire business career with the accounting and management consulting firm of Ernst & Young, Canada, including serving as Chairman and Chief Executive Officer from 1987 to 1994. Mr. Farlinger is also a member of the Order of Canada.

Hon. Thomas H. Kean has served as a director of CIT since July 1, 2002, and previously from November 1999 to June 1, 2001. Mr. Kean has served as President of Drew University since February 1990, and is a former Governor of the State of New Jersey. He is also a director of Amerada Hess Corporation, ARAMARK Corporation, Franklin Resources, Inc., The Pepsi Bottling Group and UnitedHealth Group Inc. Mr. Kean is also a trustee of The Robert Wood Johnson Foundation, a non-profit foundation.

Edward J. Kelly, III has served as a director of CIT since July 1, 2002. Mr. Kelly has served as President and Chief Executive Officer and a director of Mercantile Bankshares Corporation since March 2001. Mr. Kelly served as Managing Director of J.P. Morgan Chase, and one of its predecessors, J.P. Morgan, from February 1996 to February 2001, as General Counsel and Secretary of J.P. Morgan from November 1994 to January 1996, and is a former partner in the New York law firm of Davis Polk & Wardwell. Mr. Kelly is also a director of Adams Express Company and Petroleum & Resources Corporation, both of which are closed-end mutual funds, and of Constellation Energy Group, CSX Corporation, and Hartford Financial Services Group.

Marianne Miller Parrs has served as a director of CIT since January 21, 2003. Ms. Parrs has served as Executive Vice President of International Paper

Company since 1999, with responsibility for Information Technology, Human Resources and the global supply chain. From 1995 to 1999, Ms. Parrs served as Senior Vice President and Chief Financial Officer of International Paper. Previously, she served in a number of other executive and management positions at International Paper since 1974, and was a security analyst at a number of firms prior to joining International Paper.

Peter J. Tobin has served as a director of CIT since July 1, 2002, and previously from May 1984 to June 1, 2001. Additionally, the Board named Mr. Tobin as lead director, and in such capacity, he will preside at executive sessions of the independent directors. Mr. Tobin has been Dean of the Peter J. Tobin College of Business at St. John's University since August 1998. From March 1996 to December 1997, Mr. Tobin was Chief Financial Officer of The Chase Manhattan Corporation. From January 1992 to March 1996, Mr. Tobin served as Chief Financial Officer of Chemical Banking Corporation, a predecessor of The Chase Manhattan Corporation, and prior to that he served in a number of executive positions at Manufacturers Hanover Corporation, a predecessor of Chemical Banking Corporation. He is a director of AXA Financial (formerly The Equitable Companies Incorporated), Alliance Capital Management, L.P., a subsidiary of AXA Financial that manages mutual funds, and H.W. Wilson, a publishing company.

Lois M. Van Deusen has served as a director of CIT since January 21, 2003. Ms. Van Deusen has served as the Managing Partner of McCarter & English, a major law firm located in Newark, New Jersey, since October 1, 2002 and is a partner in the Real Estate Department. Ms. Van Deusen joined McCarter & English in 1977 and was named a partner in 1986.

Board Committees

Our Board has established an Audit Committee and a Compensation and Governance Committee. The Audit Committee is comprised of four directors and the Compensation and Governance Committee is comprised of three directors. Each director serving on either the Audit Committee or the Compensation and Governance Committee is independent as defined by the New York Stock Exchange and applicable law.

Audit Committee

The Audit Committee conducts its duties consistent with a written charter, which includes:

o retaining and determining the compensation of the independent public accountants;

o monitoring the integrity of our financial accounting and reporting process and systems of internal controls;

o reviewing our corporate compliance policies and monitoring compliance with our Code of Business Conduct and other compliance policies, including reviewing any significant case of employee conflict of interest or misconduct; and

o reporting to our Board as appropriate.

Peter J. Tobin (Chairman), William A. Farlinger, Edward J. Kelly, III and Marianne Miller Parrs serve as members of the Audit Committee. The charter for our Audit Committee complies with New York Stock Exchange requirements and applicable law. The Board of Directors has determined that Mr. Tobin, Mr. Farlinger and Ms. Parrs each meets the standard of "Audit Committee Financial Expert" as defined by the SEC, and that each is independent from management. A copy of the charter of the Audit Committee is attached as Annex A.

Compensation and Governance Committee

The Compensation and Governance Committee conducts its duties consistent with a written charter, which includes:

- considering and approving salaries, bonuses and stock-based compensation for certain executive officers;
- facilitating the performance evaluation of the Chief Executive Officer by the Board;
- administering and making awards under the Long-Term Equity Compensation Plan;
- identifying and recommending qualified candidates to fill Board and committee positions; and
- overseeing corporate governance, including reviewing the structure, duties, membership and functions of the Board as appropriate.

Hon. Thomas H. Kean (Chairman), John S. Chen and Lois M. Van Deusen serve as members of the Compensation and Governance Committee. A copy of the charter of the Compensation and Governance Committee is attached as Annex B.

Compensation and Governance Committee Interlocks and Insider Participation

There are no interlocking relationships between any member of our Compensation and Governance Committee and any of our executive officers that would require disclosure under the rules of the SEC.

Executive Officers

The following table sets forth information as of February 15, 2003 regarding our executive officers, other than Mr. Gamper, whose information is provided above under "Nominees". The executive officers were appointed by and hold office at the discretion of the Board. No family relationship exists among CIT's executive officers or with any director. In addition to the information reported below, certain executive officers are also directors or trustees of privately held or not-for-profit organizations that are not referred to below.

Name	Age	Position
Thomas L. Abbate	57	Executive Vice President and Chief Risk Officer
John D. Burr	59	Group Chief Executive Officer, Equipment Financing
Thomas B. Hallman	50	Group Chief Executive Officer, Specialty Finance
Robert J. Ingato	42	Executive Vice President, General Counsel & Secretary
Joseph M. Leone	49	Executive Vice President and Chief Financial Officer
Lawrence A. Marsiello	52	Group Chief Executive Officer, Commercial

		Finance
David D. McKerroll	43	Group Chief Executive Officer, Structured Finance
Nikita Zdanow	65	Group Chief Executive Officer, Capital Finance

Thomas L. Abbate has served as CIT's Executive Vice President and Chief Risk Officer since July 2000. Previously, Mr. Abbate served as Executive Vice President of Credit Risk Management of CIT since October 1999 and as Executive Vice President and Chief Credit Officer of Equipment Financing, a business unit of CIT, since August 1991. Prior to August 1991, Mr. Abbate held a number of executive positions with CIT and with Manufacturers Hanover Corporation, where he had been employed since 1973.

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John D. Burr has served as Group Chief Executive Officer of CIT's Equipment Financing Group since June 2001. Previously, Mr. Burr served as President of Equipment Financing/North American Construction and Transportation division since 1999 and Executive Vice President of Equipment Financing since 1983, and held a number of other management and executive positions at CIT since 1967. Mr. Burr has advised CIT that he intends to retire effective July 31, 2003.

Thomas B. Hallman has served as Group Chief Executive Officer of CIT's Specialty Finance Group since July 2001. Previously, Mr. Hallman served as Chief Executive Officer of the Consumer Finance business unit, the home equity unit of Specialty Finance, since joining CIT in 1995, and held a number of senior management positions with other financial services firms prior to 1995.

Robert J. Ingato has served as CIT's Executive Vice President and General Counsel since June 2001, and additionally as Secretary since August 14, 2002. Previously, Mr. Ingato served as Executive Vice President and Deputy General Counsel since November 1999. Mr. Ingato served as Executive Vice President of Newcourt Credit Group, Inc., which was acquired by CIT, since January 1998, as Executive Vice President and General Counsel of AT&T Capital Corporation, a predecessor of Newcourt, since 1996, and in a number of other legal positions with AT&T Capital since 1988.

Joseph M. Leone has served as CIT's Executive Vice President and Chief Financial Officer since July 1995. Previously, Mr. Leone served as Executive Vice President of Sales Financing, a business unit of CIT, from June 1991, Senior Vice President and Controller since March 1986, and in a number of other executive positions with Manufacturers Hanover Corporation since May 1983.

Lawrence A. Marsiello has served as Group Chief Executive Officer of CIT's Commercial Finance Group since August 1999. Previously, Mr. Marsiello served as Chief Executive Officer of the Commercial Services business unit, the factoring unit of Commercial Finance, since August 1990, and in a number of other executive positions with CIT and Manufacturers Hanover Corporation, where he had been employed since 1974.

David D. McKerroll has served as Group Chief Executive Officer of CIT's Structured Finance Group since November 1999. Previously, Mr. McKerroll served as President of Newcourt Capital, a division of Newcourt Credit Group Inc., and was one of the founders of Newcourt Credit Group Inc., which he joined in 1987. Mr. McKerroll is also a director of Cossette Communication Group Inc.

Nikita Zdanow has served as Group Chief Executive Officer of CIT's Capital

Finance Group since 1985, and has served in a number of other executive positions since joining CIT in 1960.

Section 16(a) Beneficial Ownership Reporting Compliance

Based on CIT's records and other information, CIT believes that its directors and executive officers complied with the applicable SEC filing requirements for reporting beneficial ownership of CIT's equity securities for the fiscal year ended September 30, 2002 and the transition period ended December 31, 2002, except that Mr. Kean inadvertently failed to report in his Form 4 filed for July 2002 that he purchased 10,000 shares of Common Stock in our IPO and Mr. Zdanow inadvertently reported in his Form 4 filed for July 2002 that he purchased 1,200 shares of Common Stock, rather than the 1,500 shares actually purchased. Mr. Kean and Mr. Zdanow each filed amended Form 4s in August 2002.

Audit Committee Report

The Board appointed the members of the Audit Committee. The Audit Committee is governed by a written charter that was approved and adopted by the Board and is periodically reviewed and reassessed by the Audit Committee. The Audit Committee is comprised of four members, each of whom meets the independence and experience requirements of the New York Stock Exchange and applicable law.

The Audit Committee (i) retains and determines the compensation of the independent public accountants, (ii) monitors the integrity of CIT's financial accounting and reporting process and systems of internal controls, (iii) reviews CIT's corporate compliance policies and monitors the compliance by CIT with its Code of Business Conduct and other compliance policies and with legal and regulatory requirements, and (iv) monitors the independence and performance of CIT's internal and independent auditors. Management has primary responsibility for the preparation and integrity of the financial statements and the reporting process. CIT's independent auditors are responsible for expressing an opinion on the conformity of the audited financial statements to generally accepted accounting principles.

The Audit Committee reviewed CIT's audited financial statements for the transition period ended December 31, 2002 and the fiscal year ended September 30, 2002 and met with management and CIT's independent auditors to discuss those financial statements. Management and the independent auditors have represented to the Audit Committee that the financial statements were prepared in accordance with generally accepted accounting principles.

The Audit Committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). In addition, the Audit Committee has received from the independent auditors their written disclosures and letter regarding their independence from CIT as required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with the independent auditors their independence from CIT and management. The Audit Committee has also considered whether the independent auditor's provision of other non-audit services to CIT is compatible with the auditor's independence.

Based upon these reviews and discussions, the Audit Committee has recommended to the Board that the audited financial statements be included in CIT's Transition Report on Form 10-K for the transition period ended December

31, 2002 and Annual Report on Form 10-K for the fiscal year ended September 30, 2002.

February 25, 2003 Audit Committee

Peter J. Tobin, Chairman
William A. Farlinger
Edward J. Kelly, III
Marianne Miller Parrs

Compensation and Governance Committee Report on Executive Compensation

The Compensation and Governance Committee is responsible for setting and administering the policies that govern executive compensation and benefits, and for ensuring that the Chief Executive Officer and other executive officers are compensated in a manner consistent with:

o stockholder interests and the stated compensation strategy of CIT;

o attracting and retaining executive talent; and

o competitive practices and internal pay equity considerations.

The Compensation and Governance Committee is composed entirely of directors who have been determined by the Board to meet the definition of "independent director" under recently proposed New York Stock Exchange rules. The Compensation and Governance Committee intends to regularly review its governance practices in response to new rules and evolving "best practices".

Following CIT's IPO in July 2002, the Compensation and Governance Committee met three times. The Compensation and Governance Committee reports regularly to the Board on its activities and seeks advice as necessary from its independent compensation consultants, Mercer Human Resource Consulting.

Compensation Philosophy and Strategy

One of the first tasks undertaken by the Compensation and Governance Committee following our IPO was to review and refine CIT's compensation strategy in light of CIT's newly public status. The Compensation and Governance Committee endorsed a compensation strategy emphasizing competitive base salaries and performance leveraged annual incentive awards. Stock options and restricted stock are used to provide management with long-term incentives contingent on CIT's financial success.

In making its compensation decisions, the Compensation and Governance Committee has defined the competitive employment market for senior level positions as companies in related businesses, such as diversified financial services companies and banks, with assets approximating or greater than those of CIT. To benchmark senior executive officer pay levels, data from a peer group of 12 diversified financial services companies and banks, as well as data for comparable positions from surveys, was reviewed. In addition, the equity granting practices of a broader group of 25 financial services companies and 25 companies that had recently completed a

spin-off or an initial public offering were considered. The companies considered are not necessarily those represented in the stock performance graph that follows this Report because the Compensation and Governance Committee believes that CIT's competitors for executive talent are a broader group of companies.

CIT will periodically benchmark its compensation practices and its financial results against peer group norms to validate pay for performance relationships.

Policy on Deductibility

The Compensation and Governance Committee's policy is to provide performance-based compensation to its executive officers that is tax deductible by CIT under current tax law. To this end, CIT's incentive and equity plans are approved by stockholders and administered in accordance with applicable regulations. The Compensation and Governance Committee will deviate from this policy only when it believes that there are overriding objectives to be achieved in stockholders' interests. CIT believes that all compensation paid in 2002 is deductible.

Compensation Program Elements

Compensation paid to CIT's executive officers for 2002 consisted primarily of base salary, annual bonuses and awards of stock options. The payment of annual bonuses and the granting of stock options are directly related to corporate, business unit where applicable, and individual performance.

Base Salary. CIT's philosophy is to provide base salaries to its executive team members within ranges where the midpoint approximates the median of appropriate peer groups of financial services organizations in each of the markets and businesses in which CIT competes. Different peer groups may apply to different executives to best reflect the unique skills required and competitive market for talent applicable to the various businesses in which CIT operates. Relative position within the salary ranges will vary by individual.

Annual Bonus Plan. Bonuses to reflect performance during the nine-month period beginning in October 2001 and ending on June 30, 2002 were paid in August 2002 at below target levels to reflect that CIT fell short of its financial targets during this period. Under a program designed to encourage stock ownership, between 50% and 100% of the bonus awards earned by senior management were paid in CIT restricted stock. The restricted stock awards will vest one year after the grant date.

Shortly after CIT's IPO, the Compensation and Governance Committee reviewed CIT's annual incentive program to determine its overall effectiveness and revised the target awards for each executive to bring them in line with median peer group practices. Under the program, annual incentive pools are funded based on the achievement of quantitative and qualitative corporate and business unit financial performance goals. The pool generated may be adjusted for qualitative goals such as (1) credit quality, (2) audit/control items, and (3) implementing CIT's diversity efforts within the organization. Individual bonuses are then awarded based on the attainment of these goals, the individual contributions of the executives toward these goals, as well as additional individual performance. For the six-month period ending on December 31, 2002, the size of the pool was determined based on the achievement of corporate and business unit pre-tax income goals. For participants with corporate responsibilities, individual bonuses were paid below target because CIT's consolidated results fell below the pre-tax income goals. For participants with business unit responsibilities, individual bonuses varied relative to their individual targets, with some business units exceeding goal and others meeting or falling short of goal.

Long-Term Incentives. CIT maintains a stock-based incentive plan, the CIT Group Inc. Long-Term Equity Compensation Plan (the "ECP") for directors and employees of CIT and its subsidiaries. The plan provides for the grant of various forms of long-term incentives such as stock options, restricted stock and performance shares or units. The Compensation and Governance Committee reviewed CIT's long-term equity compensation strategy to determine its overall effectiveness and revised the target awards for each executive to bring them in line with peer group practices.

CIT executives received two option grants in 2002. The first, which vests over three years, was made by the Tyco board of directors under the Tyco plan in February 2002. These options were converted upon our IPO into CIT options of equivalent value. The second grant, made upon our IPO, was for options that vest over four years. In addition, stock options granted by CIT prior to its acquisition by Tyco were converted back into CIT stock options, and restricted stock awards granted in June 2001 (the time of the acquisition of CIT by Tyco) were converted into CIT restricted stock. All other Tyco unvested stock options were forfeited. Option grants

made upon our IPO were larger than CIT's standard annual target awards to recognize CIT's renewed status as a public company by offering a significant equity opportunity to executive officers, key management and other employees and to offset the significant forfeitures of unvested Tyco options.

Share Ownership. CIT's stock ownership policy sets stock ownership targets for approximately 40 senior executives and each executive is expected to meet such target within a specified time frame. Stock ownership targets are based on a multiple of each executive's base salary ranging from one times base salary to five times base salary for the Chief Executive Officer.

CEO Compensation

The Compensation and Governance Committee's recommendations regarding the Chief Executive Officer are subject to ratification by the Board. During 2002, the Compensation and Governance Committee reviewed the compensation of Mr. Gamper based upon:

- comparative compensation data provided by the independent consultant as to the compensation of the chief executive officers of other financial services companies;

- its assessment of the performance contribution of the Chief Executive Officer in terms of CIT's strategic business plans, operating performance results and the successful completion of the IPO from Tyco; and

- CIT's previously described compensation strategy.

The base salary of Mr. Gamper was reviewed by the Compensation and Governance Committee following the IPO and determined to be appropriate at its current annual rate of $900,000.

The Compensation and Governance Committee awarded Mr. Gamper a bonus of $1,250,000 for his performance for 2002. This bonus was awarded in two pieces. For the period from January 1, 2002 to June 30, 2002, he received $750,000, which was converted into restricted stock that vests one year from the date of grant in August 2003, based on CIT's financial results and his efforts toward the successful completion of CIT's IPO during a turbulent period in the financial marketplace. For the period from July 1, 2002 to December 31, 2002, he received $500,000 based upon post-IPO financial results. This amount reflects the shortfall of CIT's actual financial results versus CIT's pre-tax income financial goal for this period, while recognizing that CIT strengthened its balance sheet by raising over $250 million in new capital. Compared to total cash compensation levels of chief executive officers of the financial services competitor companies, Mr. Gamper's total cash compensation for calendar year 2002 fell slightly below the market median. In addition to the foregoing compensation, during the fiscal year ended September 30, 2002, Mr. Gamper also received a bonus for the period from October 1, 2001 to December 31, 2001 under the Tyco incentive programs that was comprised of a grant of unrestricted Tyco stock in the amount of $168,832 and a bonus of $750,000, of which $375,000 was paid in cash in January 2002 and $375,000 was deferred and subsequently paid by CIT in August 2002 in CIT restricted stock.

Mr. Gamper received two option grants in 2002. The first was made by the Tyco board of directors in February 2002 and was converted into a CIT option as described above under "Long-Term Incentives". Thus, Mr. Gamper was awarded a stock option grant of 119,560 stock options with an exercise price of $39.87. The second grant was made by CIT at the time of our IPO and consisted of 1,400,000 stock options at an exercise price of $23.00. As a result of CIT's separation from Tyco, Mr. Gamper forfeited 800,000 unvested Tyco stock options.

This Report has been furnished on behalf of the Board by the members of its Compensation and Governance Committee.

Members of the Compensation and Governance Committee

Honorable Thomas Kean, Chair

John Chen

Lois Van Deusen

Stock Performance Graph

The following line graph compares the yearly percentage change in the cumulative total stockholder return of our Common Stock to the cumulative total return of the S&P Financial Index and the S&P 500 Index for the six month period commencing with our IPO on July 2, 2002 and ending December 31, 2002. The results are based on an assumed $100 invested on July 2, 2002, and reinvestment of dividends.

[The following table represents the graph which appears on page 10]

	07/02/02	07/31/02	08/30/02	09/30/02	10/31/02	11/29/02
CIT	100.00	97.65	94.57	78.17	77.43	95.63
S&P Financial	100.00	93.56	95.47	84.31	91.94	95.71
S&P 500	100.00	94.22	94.84	84.53	91.97	97.38

Director Compensation

Directors who are also CIT employees do not receive any fees or other compensation for service on the Board or its committees. Non-employee directors of CIT are paid an annual retainer of $50,000, which they may elect to receive in one or more of the following forms:

- Cash
- Stock Options
- Restricted Stock

The number of shares of Common Stock underlying options that a director may elect to receive instead of cash remuneration is calculated using the Black-Scholes option pricing model. Any options that directors elect to receive are immediately vested, but are not exercisable until the one year anniversary of the date of grant. These options have a term of ten years and an exercise price equal to the closing price of CIT Common Stock on the date of grant. Any amount that a director elects to receive in restricted stock is converted into shares of Common Stock based upon a market value equal to the closing price of Common Stock on the date awarded. The restrictions on the restricted stock lapse on the first anniversary of the grant date.

In addition, each non-employee director is entitled to an annual grant of stock options having a Black-Scholes value of $35,000, except that the committee chairmen are entitled to grants with a $45,000 valuation. At the time of appointment to the Board, non-employee directors are each awarded a grant of stock options to acquire 10,000 shares of Common Stock. The option component of director remuneration and the options granted at the time of appointment become vested and exercisable in three equal, annual installments. These options have a term of ten years and an exercise price equal to the closing price of our Common Stock on the date of the grant.

We reimburse all directors for reasonable out-of-pocket expenses incurred in attending Board or committee meetings.

Executive Compensation

The table below sets forth the annual compensation, including bonuses and deferred compensation, of Messrs. Gamper, Hallman, Leone, Marsiello and Zdanow (the "Named Executive Officers") for services rendered in all capacities to CIT during the transition period ended December 31, 2002, the fiscal year ended September 30, 2002, the nine months ended September 30, 2001, and the years ended December 31, 2000 and December 31, 1999.

SUMMARY COMPENSATION TABLE
(U.S. DOLLARS)

		Annual Compensation			Long-Term Compen	
Name and Principal Positions	Period	Salary	Bonus(1)	Other Annual Compensa-tion(2)	Restricted Stock Awards(3)	Securit Underly Option
Albert R. Gamper, Jr. ..	Oct 2002-Dec 2002	$242,308	$ 500,000	$27,603	$ 0	
Chairman, President	Oct 2001-Sept 2002	$900,000	$1,668,832	$15,000	$ 0	1,519,
and Chief Executive	Jan-Sept 2001	$680,769	$3,120,434	$40,958	$16,949,070	717,
Officer	Jan-Dec 2000	$878,847	$ 800,000	$98,188	$ 2,946,500	185,
	Jan-Dec 1999	$761,534	$1,237,503	$57,577	$ 0	206,

Thomas B. Hallman	Oct 2002-Dec 2002	$115,769	$ 275,000	$ 2,721	$ 0	
Group CEO	Oct 2001-Sept 2002	$430,000	$ 356,000	$ 1,209	$ 0	379,
Specialty Finance	Jan-Sept 2001	$288,846	$ 605,000	$ 8,475	$ 1,490,275	119,
	Jan-Dec 2000	$333,076	$ 325,000	$16,692	$ 1,057,500	45,
	Jan-Dec 1999	$277,115	$ 292,188	$ 9,210	$ 0	61,
Joseph M. Leone	Oct 2002-Dec 2002	$109,038	$ 155,000	$ 3,297	$ 0	
Executive Vice	Oct 2001-Sept 2002	$405,000	$ 390,500	$ 1,346	$ 0	454,
President and Chief	Jan-Sept 2001	$302,308	$ 580,000	$ 8,886	$ 1,659,596	119,
Financial Officer	Jan-Dec 2000	$358,088	$ 300,000	$21,168	$ 785,625	37,
	Jan-Dec 1999	$299,695	$ 433,007	$12,267	$ 0	74,
Lawrence A. Marsiello ..	Oct 2002-Dec 2002	$113,077	$ 275,000	$ 2,934	$ 0	
Group CEO	Oct 2001-Sept 2002	$420,000	$ 260,000	$ 1,465	$ 0	379,
Commercial Finance	Jan-Sept 2001	$313,846	$ 480,000	$ 8,857	$ 1,806,375	119,
	Jan-Dec 2000	$369,230	$ 400,000	$24,108	$ 1,057,500	41,
	Jan-Dec 1999	$319,610	$ 425,011	$15,834	$ 0	74,
Nikita Zdanow	Oct 2002-Dec 2002	$123,846	$ 240,000	$ 2,957	$ 0	
Group CEO	Oct 2001-Sept 2002	$460,204	$ 296,000	$ 1,539	$ 0	379,
Capital Finance	Jan-Sept 2001	$344,615	$ 525,000	$ 8,968	$ 1,896,657	74,
	Jan-Dec 2000	$409,238	$ 400,000	$22,711	$ 1,057,500	47,
	Jan-Dec 1999	$356,741	$ 425,011	$14,437	$ 0	64,

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(1) Bonus payments made under CIT's Annual Bonus Plan for the three months ended December 31, 2002 related to performance during the six-month period from July 1, 2002 through December 31, 2002.

Bonus payments made under CIT's Annual Bonus Plan for the twelve months ended September 30, 2002 related to performance during the nine-month period from October 1, 2001 through June 30, 2002.

For the period from October 2001 through June 2002, the Named Executive Officers received a portion of their annual bonus as CIT restricted stock. The amounts shown include the value of the restricted stock. The number of shares was based on a price of $22.20, the closing price of CIT Common Stock on August 13, 2002, the date of the grant. All shares were issued with a one-year restriction. The number and value of shares awarded are as follows: Mr. Gamper - 50,675 shares ($1,124,985), Mr. Hallman - 12,162 shares ($269,996), Mr. Leone - 15,765 shares ($349,983), Mr. Marsiello - 11,711 shares ($259,984), and Mr. Zdanow - 11,261 shares ($249,994). The balance of the listed bonus amounts relate to cash bonuses paid under a Tyco quarterly corporate bonus plan, which was discontinued after our IPO.

Of the $1,668,832 in annual bonus that Mr. Gamper received for the period from October 2001 through September 2002, $918,832 was awarded for his performance under the Tyco corporate bonus plan, of which $750,000 was paid out in two quarterly payments, $375,000 in cash and $375,000 in CIT restricted stock as discussed above, and $168,832 was awarded in unrestricted shares of Tyco common stock (3,521 shares at a Tyco share price of $47.95). The additional $750,000 was awarded by CIT for his performance from January 1 through June 30, 2002, of which $749,985 was paid in CIT restricted stock as discussed above and $15 was paid in cash to reflect a fractional share.

For the nine months ended September 2001, Mr. Gamper received a bonus of

$3,120,434, of which $2,002,040 was paid in cash and $1,118,394 was paid as a grant of 25,020 shares of Tyco common stock, based on the closing price of Tyco common stock of $44.70 per share on October 1, 2001, the date of the grant.

The amounts shown in the Bonus column for 2001 and 2000 (other than for Mr. Gamper as described above), represent the cash amounts paid under CIT's Annual Bonus Plan.

The amounts shown in the Bonus column for 1999 represent the cash amounts paid under CIT's Annual Bonus Plan and the value of CIT Common Stock or Common Stock units received in lieu of cash. Pursuant to the former CIT Long-Term Equity Compensation Plan ("Former ECP"), executive officers could elect to receive between 10% and 50% of their 1999 annual bonus awards in Common Stock or Common Stock units, respectively, rather than cash. The cash portion deferred was converted to shares of Common Stock or Common Stock units with a market value equal to 125% of the deferred amount. The amounts included in the Bonus column for shares issued in 1999 represent the fair market value on January 26, 2000 (the date of grant) of the shares of CIT Common Stock awarded, based on the closing price of $19.625 per share of CIT Common Stock. The value of restricted stock taken in lieu of cash is as follows: Mr. Gamper - $687,503, Mr. Hallman - $85,938, Mr. Leone - $165,007, Mr. Marsiello - $125,011, and Mr. Zdanow - $125,011.

(2) The payments set forth in each period under Other Annual Compensation represent the dividends paid on restricted stock held in each of those years. Such dividends were payable at the same rate applicable to all other issued and outstanding shares.

(3) Restricted Stock Awards include grants of Performance Accelerated Restricted Shares ("PARS") made in January 2000 under the Former ECP and grants of restricted stock made in June 2001 under the Tyco International Ltd. 1994 Restricted Stock Ownership Plan for Key Employees in conjunction with the acquisition of CIT by Tyco.

The 2001 grants vest 100% on the third anniversary date of the grant for Mr. Gamper and one-third on each anniversary for the others, subject to earlier vesting under other conditions as described in the individual Award Agreements. The shares of Tyco restricted stock were converted into CIT restricted stock based on our IPO offering price. Recipients of restricted stock have the right to vote such shares and receive dividends. The PARS awarded under the Former ECP vested on June 1, 2001 due to the change of control associated with the acquisition of CIT by Tyco. The PARS were issued at a fair market value of $20.75. Awards were as follows: Mr. Gamper - 142,000 shares; Mr. Hallman - 30,000 shares; Mr. Leone - 30,000 shares; Mr. Marsiello - 30,000 shares; and Mr. Zdanow - 30,000 shares.

For the year 2000, Restricted Stock Awards also included grants made under a Special Stock Award Program to Mr. Hallman, Mr. Leone, Mr. Marsiello and Mr. Zdanow. Payments under this plan were based on the achievement of performance measures for the year 2000. Awards were in the form of restricted stock grants recommended and approved on January 24, 2001. The Awards vested 50% on the date of grant, and the remaining 50% was subject to restriction until January 24, 2002, except that these shares vested on June 1, 2001 in conjunction with the acquisition of CIT by Tyco. The values of these grants are included in the Restricted Stock Awards column based on the share price on the grant date of January 24, 2001 of $21.75 per share of CIT Common Stock. Awards were as follows: Mr. Hallman - 20,000 shares; Mr. Leone - 7,500 shares; Mr. Marsiello - 20,000 shares; and Mr. Zdanow - 20,000 shares.

The number and value at December 31, 2002 of restricted stock holdings based upon the closing market price of $19.60 per share of CIT Common Stock was as follows: Mr. Gamper - 230,023 shares ($4,508,451), Mr. Hallman - 22,675 shares ($444,430), Mr. Leone - 27,473 shares ($538,471), Mr. Marsiello 24,454 shares ($479,298), and Mr. Zdanow - 24,641 shares ($482,964). A portion of this stock was granted as part of their annual bonus for the period from October 2001 through June 2002. For more details see footnote (1).

(4) During the three months ended December 31, 2002, no new option awards were issued to the Named Executive Officers.

Options that were originally granted to purchase Tyco common stock or to purchase CIT Common Stock prior to the acquisition of CIT by Tyco are reported in the table as current options to purchase CIT Common Stock. Options to purchase CIT Common Stock prior to the acquisition of CIT by Tyco were converted in June 2001, in connection with such acquisition, into options to purchase shares of Tyco common stock based on a conversion rate of .6907 of a share of Tyco common stock for each share of CIT Common Stock. Options to purchase Tyco common stock were converted in July 2002, in connection with our IPO, into options to purchase CIT Common Stock based on a conversion rate of .5978 of a share of CIT Common Stock for each share of Tyco common stock.

Two new option awards were granted during the twelve months ended September 30, 2002. The first grant was awarded on February 5, 2002 under the Tyco International Ltd. Long Term Incentive Plan and the Tyco International Ltd. Long Term Incentive Plan II. These options were converted into options to purchase shares of CIT Common Stock at the time of our IPO. The second grant was awarded under the ECP on July 2, 2002 to coincide with our IPO. For more details see the table below "Option Grants In Last Fiscal Year".

Options granted between January and September 2001 were awarded under the Tyco International Ltd. Long Term Incentive Plan and the Tyco International Ltd. Long Term Incentive Plan II. The 2001 grants vested one-third on each anniversary date for Mr. Gamper and 100% at the end of three years for the others. At the time of our IPO, all unvested options granted between January and September 2001 were cancelled.

For Mr. Gamper, 800,000 unvested Tyco options were cancelled and 8,994 vested options were forfeited. Additionally, Mr. Gamper, retained 400,000 vested Tyco options that were awarded on June 1, 2001 and vested on June 1, 2002. These options did not convert to options to purchase shares of CIT Common Stock and remained as options to purchase shares of Tyco common stock. For Mr. Hallman, 200,000 unvested Tyco options were cancelled. For Mr. Leone, 200,000

unvested Tyco options were cancelled. For Mr. Marsiello, 200,000 unvested Tyco options were cancelled. For Mr. Zdanow, 125,000 unvested Tyco options were cancelled.

Options for 2000 and 1999 were originally awarded under the Former ECP and represent CIT options that were converted in connection with the acquisition of CIT by Tyco into options to purchase shares of Tyco common stock, and then converted into options to purchase new shares of CIT Common Stock in connection with our IPO.

(5) For the three months ended December 31, 2002, no amounts required to be disclosed under "All Other Compensation" were paid to any Named Executive Officer.

For the twelve months ended September 30, 2002, nine months ended September 30, 2001, and the years ended December 31, 2000 and 1999, the payments set forth under "All Other Compensation" for Messrs. Gamper, Hallman, Leone, Marsiello, and Zdanow include the matching employer contribution to each participant's account and the employer flexible retirement account contribution to each participant's flexible retirement account under the CIT Group Inc. Savings Incentive Plan (the "CIT Savings Plan"). The matching employer contribution was made pursuant to a compensation deferral feature of the CIT Savings Plan under Section 401(k) of the Internal Revenue Code of 1986. For the period ending September 2002, the matching contributions were: Mr. Gamper - $10,000, Mr. Hallman - $9,197, Mr. Leone - $9,237, Mr. Marsiello - $9,246 and Mr. Zdanow - $5,799. For January through September 2001, the matching contributions were: Mr. Gamper - $8,250, Mr. Hallman - $8,500, Mr. Leone - $8,500, Mr. Marsiello - $8,500, and Mr. Zdanow - $5,100. In 2000, Messrs. Gamper, Hallman, Leone, Marsiello, and Zdanow received a contribution of $6,800 under the employer match and a contribution of $6,800 under the employer flexible retirement account. In 1999, Messrs. Gamper, Hallman, Leone, Marsiello, and Zdanow received a contribution of $6,400 under the employer match and a contribution of $6,400 under the employer flexible retirement account. The payments set forth under "All Other Compensation" also include contributions to the accounts of Messrs. Gamper, Hallman, Leone, Marsiello, and Zdanow under The CIT Group Inc. Supplemental Savings Plan (the "CIT Supplemental Savings Plan"), which is an unfunded non-qualified plan. For 2000, they were as follows: Mr. Gamper - $28,354, Mr. Hallman - $6,523, Mr. Leone - $7,524, Mr. Marsiello - $7,969, and Mr. Zdanow - $9,570. For 1999, they were as follows: Mr. Gamper - $24,061, Mr. Hallman - $4,685, Mr. Leone - $5,588, Mr. Marsiello - $6,384, and Mr. Zdanow - $7,870.

Stock Option Awards During Fiscal Year 2002 and Transition Period

The following table sets out awards of stock options to the Named Executive Officers during the fiscal year ended September 30, 2002 and the transition period ended December 31, 2002. All stock options awarded during fiscal 2002 were awarded under the ECP, the Tyco International Ltd. Long Term Incentive Plan or the Tyco International Ltd. Long Term Incentive Plan II and represent options to acquire CIT Common Stock.

OPTION GRANTS IN LAST FISCAL YEAR AND TRANSITION PERIOD

Name	Date of Grant(1)	Number of Securities Underlying Options/SARs Granted(2)	Percent of Total Options/SARs Granted to Employees in Fiscal Year(3)	Exercise of Base Price ($/Sh)(4)	Expiration Date
Albert R. Gamper Jr.	07/02/2002	1,400,000	8.91%	$23.00	07/02/2012
Chairman, President and	02/05/2002	119,560	0.76%	$39.87	02/04/2012
Chief Executive Officer	03/05/1999	82,580	0.53%	$74.47	03/05/2009
	11/13/1997	255,668	1.63%	$65.39	11/13/2007

Thomas B. Hallman	07/02/2002	350,000	2.23%	$23.00	07/02/2012
Group CEO	02/05/2002	29,890	0.19%	$39.87	02/05/2012
Specialty Finance					
Joseph M. Leone	07/02/2002	425,000	2.70%	$23.00	07/02/2012
Executive Vice President	02/05/2002	29,890	0.19%	$39.87	02/04/2012
and Chief Financial	03/05/1999	41,290	0.26%	$74.47	03/05/2009
Officer	11/13/1997	47,318	0.30%	$65.39	11/13/2007
Lawrence A. Marsiello	07/02/2002	350,000	2.23%	$23.00	07/02/2012
Group CEO	02/05/2002	29,890	0.19%	$39.87	02/04/2012
Commercial Finance	03/05/1999	41,290	0.26%	$74.47	03/05/2009
	11/13/1997	60,449	0.38%	$65.39	11/13/2007
Nikita Zdanow	07/02/2002	350,000	2.23%	$23.00	07/02/2012
Group CEO	02/05/2002	29,890	0.19%	$39.87	02/04/2012
Capital Finance	10/26/2000	23,572	0.15%	$34.06	10/26/2010
	11/18/1999	33,032	0.21%	$51.92	11/18/2009
	03/05/1999	30,968	0.20%	$74.47	03/05/2009
	11/13/1997	53,099	0.34%	$65.39	11/13/2007

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(1) The options reported above are for the fiscal year ended September 30, 2002 and the transition period ended December 31, 2002. Options for the fiscal year ended September 30, 2002 were previously reported in our Annual Report on Form 10-K for the fiscal year ended September 30, 2002. All options listed represent options to purchase CIT Common Stock. Except for options originally granted in July 2002, all options listed were originally granted to purchase Tyco common stock while Tyco owned CIT or to purchase CIT Common Stock prior to the acquisition of CIT by Tyco. Options to purchase CIT Common Stock prior to the acquisition of CIT by Tyco were converted in June 2001, in connection with such acquisition, into options to purchase shares of Tyco common stock based on a conversion rate of .6907 of a share of Tyco common stock for each share of CIT Common Stock. Options to purchase Tyco common stock were converted in July 2002, in connection with our IPO, into options to purchase CIT Common Stock based on a conversion rate of .5978 of a share of CIT Common Stock for each share of Tyco common stock. Each date of grant represents the date of original grant of a current CIT option, converted Tyco option or earlier CIT option. The vesting schedule and expiration date for each option is based upon the original date of grant.

(2) Options granted in July 2002 were granted under the ECP. These stock options fully vest on the fourth anniversary of the date of the grant, subject to earlier vesting under conditions described in the individual award agreements. Options granted in February 2002 were granted as options to purchase shares of Tyco common stock under the Tyco International Ltd. Long Term Incentive Plan and the Tyco International Ltd. Long Term Incentive Plan II. At the time of our IPO, these options were converted into options to purchase shares of CIT Common Stock. These stock options vest fully on the third anniversary of the date of the grant, subject to earlier vesting under conditions described in the individual award agreements.

Options granted prior to February 2002 were originally granted as options to purchase shares of CIT Common Stock under the Former ECP. These options were converted into options to purchase shares of Tyco common stock at the time of the acquisition of CIT by Tyco and then converted into options to purchase new shares of CIT Common Stock at the time of our IPO. The options granted prior to February 2002 are fully vested.

(3) Represents the percentage of all options granted in fiscal 2002 and the transition period ended December 31, 2002 under the ECP.

(4) The July 2002 options were issued as part of a Company-wide IPO grant with an exercise price equal to the initial offering price of CIT Common Stock on the date of grant. The February 2002 options were originally granted by Tyco at an exercise price equal to the closing price of Tyco common stock on the date of grant. The remaining options were originally granted by CIT prior to its acquisition by Tyco at an exercise price equal to the closing price of CIT Common Stock on the date of grant. The exercise prices of the earlier CIT options were adjusted at the time of the acquisition of CIT by Tyco, and the exercise prices of all Tyco options, including those converted from earlier CIT options, were adjusted at the time of our IPO. The exercise price for each converted option represents the current values after applying all applicable conversion formulas.

(5) The ultimate value of the options will depend on the future market price of CIT Common Stock, which cannot be forecast with reasonable accuracy. The actual value, if any, an optionee will realize upon exercise of an option will depend on the excess of the market value of CIT Common Stock over the exercise price on the date the option is exercised. The values shown are based on the Black-Scholes option-pricing model, which is a method of calculating a theoretical value of the options based upon a mathematical formula using certain assumptions. For the calculation, the following assumptions were used: an assumed life of three to eight years; interest rate of 3.2% to 4.9%, which represents the risk free rate with a maturity date similar to the assumed exercise period; assumed annual volatility of underlying shares of 27.8% to 33.2%, calculated based on a historical share price movement analysis of peer organizations over periods generally commensurate with the expected life of the option; quarterly dividend payment of $0.12 per share; and the vesting schedule indicated for the grant.

The following table gives additional information on option exercises by the Named Executive Officers during the fiscal year ended September 30, 2002, which were previously reported in our Annual Report on Form 10-K for the fiscal year ended September 30, 2002, and the transition period ended December 31, 2002, and on the number of options and value of in-the-money options held by the Named Executive Officers on December 31, 2002.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND TRANSITION PERIOD
AND TRANSITION PERIOD-END OPTION VALUES
(U.S. Dollars)

			Number of Securities Underlying Unexercised Options at 12/31/2002(1)	Value Un Option
Name	Shares Acquired on Exercise	Value Realized	Exercisable/ Unexercisable	Ex Un

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Albert R. Gamper, Jr. .... Chairman, President and Chief Executive Officer	0	$0	338,248/1,519,560(2)	
Thomas B. Hallman .... Group CEO Consumer Finance	0	$0	0/379,890	
Joseph M. Leone .... Executive Vice President and Chief Financial Officer	0	$0	88,608/454,890	
Lawrence Marsiello .... Group CEO Commercial Finance	0	$0	101,739/379,890	
Nikita Zdanow .... Group CEO Capital Finance	0	$0	140,671/379,890	

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(1) The options reported are non-qualified stock options to purchase CIT Common Stock awarded under the ECP, including all options converted from Tyco options or prior CIT options. The exercise price of the options ranges from $23.00 to $74.47 per share and the closing trading price on the New York Stock Exchange of CIT Common Stock at December 31, 2002 was $19.60.

(2) Does not include 400,000 exercisable options to purchase shares of Tyco common stock granted to Mr. Gamper on June 1, 2001. These options remained as options to purchase shares of Tyco common stock and were not substituted with options to purchase shares of CIT Common Stock or otherwise cancelled.

Additional Information Regarding Equity Compensation Plans

All equity compensation plans were approved by our sole stockholder prior to our IPO, and are summarized in the following table as of December 31, 2002.

	Number of securities to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Numb remai futu equity (exc reflec
	(a)	(b)	
Equity compensation plans approved by security holders	15,335,255	$33.13	10

During 2003, an additional 4,210,200 stock options were granted at prices equal to 100% of fair market value on the date of grant. As of March 31, 2003, the number of shares to be issued upon exercise of outstanding options is 19,172,870, at a weighted average excercise price of $30.35, and the number of shares available for future issuance is 6,302,504. Options that are not exercised or whose value is used to exercise other options may be regranted. We had no equity compensation plans that were not approved by stockholders.

Retention Agreements

General

At its meeting on November 5, 2002, the Compensation and Governance Committee of the Board approved revised retention agreements for the Named Executive Officers, effective January 1, 2003.

Mr. Gamper's retention agreement extends until December 31, 2004 and provides for him to serve as the Chief Executive Officer of CIT for an annual base salary of not less than $900,000 and an annual cash bonus based on performance targets (with a target bonus of at least 200% of his annual base salary). Pursuant to his retention agreement, his base salary will be reviewed when the salaries of all executive officers of CIT are reviewed.

Mr. Gamper's retention agreement provides for his participation in all employee pension, welfare, perquisites, fringe benefit and other benefit plans generally applicable to the most senior executives of CIT, and continued participation in CIT's Executive Retirement Program and all other supplemental and excess retirement plans during the term of the retention agreement on terms no less favorable than provided immediately prior to the effective date of the agreement. Mr. Gamper is eligible to receive benefits under the CIT retiree medical and life insurance plan for the remainder of his life and the life of his spouse. In addition, Mr. Gamper is entitled to receive expense reimbursement and certain additional benefits during the term of his employment.

Messrs. Hallman, Leone, Marsiello and Zdanow also have retention agreements that extend until December 31, 2004. Their agreements provide for the payment of an annual base salary of not less than the amount received prior to the effective date of January 1, 2003, to be reviewed when the salaries of all executive officers of CIT are reviewed. They are also entitled to an annual bonus opportunity based on the performance of CIT and their business units, in accordance with CIT's incentive plans and programs (with a target bonus of at least 125% of annual base salary). Their retention agreements provide for their participation in all employee pension, welfare, perquisites, fringe benefit and other benefit plans generally available to senior executives. In addition, their retention agreements provide for continued participation in CIT's Executive Retirement Program and all other supplemental and excess retirement plans on terms no less favorable than provided immediately prior to the effective date of the agreement. They are also eligible to receive benefits under the CIT retiree medical and life insurance plan.

Termination and Change-In-Control Arrangements

If Mr. Gamper's employment is terminated by him for "good reason" or by CIT without "cause" (in each case, as these terms are defined in his retention agreement), then he would be entitled to a cash payment equal to (i) the sum of his unpaid base salary through the date of termination and his "Severance Bonus" pro rated for the portion of the year he completed in the year of his termination, (ii) three times the sum of his annual base salary plus his Severance Bonus, paid over a period of three years, provided that he continues to comply with the confidentiality and non-compete provisions of his retention agreement, and (iii) a "Special Cash Bonus" (without regard to CIT's financial performance). "Severance Bonus" means the greater of (i) the executive's average annual bonus over the two calendar years preceding the date of termination or (ii) the executive's target bonus. "Special Cash Bonus" means a payment in satisfaction of obligations under Mr. Gamper's prior retention agreement, equal to $1.25 million. Also, in such event, any stock options then held by Mr. Gamper would vest immediately and all restrictions on restricted stock held by Mr. Gamper would lapse. In addition, Mr. Gamper would be paid or provided with any amounts or benefits he is eligible to receive under any benefit plan of CIT, including the retiree medical benefits described above, and to the extent permitted under law he would be credited with three additional years of age and service credit under the relevant retirement plans.

Mr. Gamper also would be entitled upon any such termination to outplacement services, an office, attorney and accountant fee reimbursement up to $25,000 per year, officer's and director's insurance and indemnification, and a car and driver. Mr. Gamper would be entitled to each of the items described in the previous sentence for two years following the date of termination, except for the insurance, which would extend for five years. Upon retirement, Mr. Gamper would be entitled to the benefits listed above for the stated time period, with the exception of outplacement services.

In the event of a change of control (as defined in the retention agreement) during the term of his retention agreement, Mr. Gamper may elect to terminate his employment for any reason effective on the 90th day following such event. If (i) Mr. Gamper elects to so terminate his employment or (ii) within ninety days his employment is terminated by CIT without cause or by him for good reason, then Mr. Gamper is entitled to the severance benefits described under a good reason termination. Termination payments following a change of control are payable in a lump sum within 30 days of termination.

Mr. Gamper's retention agreement provides that he will not, during the retention period and for two years after the date of termination (three years in the case of termination by CIT without "cause" or by Mr. Gamper for "good reason" (in each case, as these terms are defined in the retention agreement)), without the written consent of the Board (A) engage or be interested in any business in the U.S. which is in competition with any lines of business actively being conducted by CIT on the date of termination, (B) hire any person who was employed by CIT or its affiliates within the six-month period preceding the date of such hiring or solicit, entice, persuade or induce any person or entity doing business with CIT or its affiliates to terminate such relationship or to refrain from extending or renewing the same, or (C) disparage or publicly criticize CIT or any of its affiliates.

The retention agreements of Messrs. Hallman, Leone, Marsiello and Zdanow provide that, under certain circumstances, upon a termination of employment each would be entitled to receive: (i) the sum of (1) his unpaid annual base salary through the termination date and (2) a pro-rated Severance Bonus based on the portion of the fiscal year completed prior to termination; and (ii) the sum of (1) the greater of (x) his annual base salary payable for the remainder of the retention agreement, or (y) two times his annual base salary, and (2) two times his Severance Bonus. "Severance Bonus" means the greater of (i) the executive's average annual bonus over the two calendar years preceding the date of termination, or (ii) the executive's target bonus. In addition, all unvested stock options would vest immediately and all restrictions on restricted stock held by the executive would lapse. Each of them would also receive life insurance and medical, dental and disability benefits for up to two years after termination, any other amounts or benefits required to be paid or provided (to the extent not paid) and outplacement services. They also would be credited with two additional years of age and service credit under all relevant company retirement plans.

In the event of a change of control (as defined in his retention agreement) during the term of the retention agreements of Messrs. Hallman, Leone, Marsiello, and Zdanow, the term of each such agreement would be extended to the second anniversary of the change of control. In addition, if the executive's employment is terminated without cause or by the executive for good reason during the two year extension period, the executive would receive the compensation and benefits described under a good reason termination, except that the executive would receive 2.5 times the sum of his annual base salary and the Severance Bonus (instead of the greater of (i) his annual base salary payable for the remainder of the retention agreement, or (ii) two times his annual base salary, and two times the Severance Bonus). This payment would be payable in a lump sum within 30 days of the termination.

The retention agreements of Messrs. Hallman, Leone, Marsiello and Zdanow also provide that each of them will not, while employed by CIT under the retention agreement and for one year after termination, without the written consent of the Board, (A) engage or be interested in any business in the United States which is in competition with any lines of business actively being conducted by CIT on the date of termination, (B) hire any person who was employed by CIT within the six-month period preceding the date of such hiring or solicit, entice, persuade or induce any person or entity doing business with the Company to terminate such relationship or to refrain from extending or renewing the same, or (C) disparage or publicly criticize CIT or any of its affiliates.

In the event that Mr. Gamper or the other Named Executive Officers become subject to excise taxes under Section 4999 of the Internal Revenue Code, each retention agreement provides for a gross up payment equal to the amount of such excise taxes.

Retirement Plan and Supplemental Retirement Plan

The CIT Group Inc. Retirement Plan (the "Retirement Plan") covers all officers and salaried employees who have one year of service and have attained age 21. We also maintain a Supplemental Retirement Plan for employees whose benefit in the Retirement Plan is subject to Internal Revenue Code limitations.

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The Retirement Plan was revised in 2000 with a new "cash balance" formula, which became effective January 1, 2001. Under this new formula, each member's accrued benefits as of December 31, 2000 was converted to a lump sum amount and each year thereafter the balance is to be credited with a percentage of the member's "Benefits Pay" (comprised of base salary, plus certain annual bonuses, sales incentives and commissions) depending on the member's period of service as follows:

Period of Service	% of "Benefits Pay"
1 - 9 years	5
10 - 19 years	6
20 - 29 years	7
30 years or more	8

These balances are also to receive annual interest credits, subject to certain government limits. For 2001, the interest credit was 7.00% and for 2002 it was 5.76%. Upon termination after 5 years of employment or retirement, the amount credited to a member is to be paid in a lump sum or converted into an annuity. Certain eligible members had the option of remaining under the Retirement Plan formula as in effect prior to January 1, 2001.

Messrs. Gamper, Hallman, Leone, Marsiello and Zdanow are earning benefits under the "cash balance" formula effective January 1, 2001. The following table shows the estimated annual retirement benefits (including the benefits under the Supplemental Retirement Plan) which would be payable to each individual if he retired at normal retirement age (age 65) at his normalized 2002 "benefits pay." The projected amounts include annual interest credits at 5.76%.

Name	Year of Normal Retirement	Estimated Annual Benefit
Albert R. Gamper, Jr.	2007	$557,589
Thomas B. Hallman	2017	$145,917
Joseph M. Leone	2018	$208,611
Lawrence A. Marsiello	2015	$221,437
Nikita Zdanow	2002	$169,583

Executive Retirement Plan

The Named Executive Officers are participants under the Executive Retirement Plan, which provides life insurance equal to approximately three times base salary during such participant's employment, with a life annuity option payable monthly by CIT upon retirement. The participant pays a portion of the annual premium, which is calculated based on the provided life insurance benefit. We are entitled to recoup our payments from the proceeds of the policy in excess of the death benefit. Upon the participant's retirement, a life annuity will be payable out of CIT's general assets and we anticipate recovering the cost of the life annuity out of the proceeds of the insurance policy payable to CIT upon the death of the participant.

In addition to the table of pension benefits shown above, we are conditionally obligated to make annual payments under the Executive Retirement Plan in the amounts indicated to the Named Executive Officers at retirement: Mr. Gamper, $463,130; Mr. Hallman, $160,453; Mr. Leone, $222,592; Mr. Marsiello, $229,608 and Mr. Zdanow, $224,608.

Other Employee Benefits

We maintain a defined contribution plan with a 401(k) feature. In addition, we maintain a supplemental unfunded defined contribution plan for employees in a grandfathered defined benefit plan. Retiree medical and dental coverage is offered on a contributory basis to certain eligible employees who meet specified age and service requirements.

Long-Term Equity Compensation Plan

The ECP allows for the granting of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, performance shares and performance units (each, an "Award") to employees and directors of CIT and its subsidiaries. The ECP is administered by the Compensation and Governance Committee

of the Board and by the full Board with respect to grants of awards to non-employee directors (the "Administrator"). The Administrator has the discretion to select the participants to whom Awards will be granted and the type, size and terms and conditions applicable to each Award, and the authority to interpret, construe and implement the provisions of the ECP.

The ECP is being submitted to stockholders for approval under Proposal 3. A general summary of the ECP is set forth in Proposal 3.

Annual Incentive Compensation

Annual Bonus Plan. CIT has adopted the CIT Group Inc. Annual Bonus Plan (the "Annual Bonus Plan"), under which awards may be made to any employees of CIT and its subsidiaries. The Annual Bonus Plan replaces the annual bonus provisions of the ECP. It is a performance-based plan in which payments are based on the achievement of performance goals in accordance with the requirements of Internal Revenue Code Section 162(m). The Annual Bonus Plan is being submitted to stockholders for approval under Proposal 4. A general summary of the Annual Bonus Plan is set forth in Proposal 4.

Discretionary Bonus Plan. CIT has also adopted the CIT Group Inc. Discretionary Bonus Plan (the "Discretionary Bonus Plan"), under which awards may be made to any employees of CIT and its subsidiaries. Bonuses under this plan are purely discretionary and are not contingent upon the failure to attain performance goals under the Annual Bonus Plan or other performance based arrangements of the Company. Bonuses under this Plan will be determined by the Compensation and Governance Committee; provided that the Compensation and Governance Committee may delegate to the Chief Executive Officer the discretion to determine bonuses for employees other than the Chief Executive Officer and the executive officers named in this proxy statement or otherwise designated by the Compensation and Governance Committee.

Employee Stock Purchase Plan

CIT's Employee Stock Purchase Plan (the "ESPP") covers United States and Canadian employees of CIT and participating subsidiaries customarily employed at least 20 hours per week. Under the ESPP, eligible employees can choose to have between 1% and 10% of their base salary withheld to purchase shares of Common Stock quarterly at a purchase price equal to 85% of the fair market value of our Common Stock on either the first business day or the last business day of the quarterly offering period, whichever is lower. The fair market value of a share of Common Stock is the closing trading price on the New York Stock Exchange for that day. The amount of Common Stock that may be purchased by a participant through the plan is generally limited to $25,000 per year.

The ESPP is being submitted to stockholders for approval under Proposal 5. A general summary of the ESPP is set forth in Proposal 5.

Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Beneficial Owners

The table below shows, as of the most recent practicable date, the name and address of each person known to CIT that beneficially owns in excess of 5% of any class of voting stock. Information in this table is as of December 31, 2002, based upon reports on Schedule 13G filed with the SEC on or before April 10, 2003.

Title of Class of Stock	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership
Common Stock	Dodge & Cox(1) One Sansome Street, 35th Floor San Francisco, CA 94104	26,324,750
Common Stock	Brandes Investment Partners, LLC(2) 11988 Wl Camino Real, Suite 500 San Diego, CA 92130	20,267,295
Common Stock	Janus Capital Management LLC 100 Fillmore Street Denver, CO 80206-4923	13,468,185
Common Stock	Oppenheimer Capital LLC 1345 Avenue of the Americas, 49th Floor New York, New York 10105	10,937,594

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(1) Dodge & Cox reports sole voting power over 24,406,050 shares, shared voting power over 480,800 shares and sole dispositive power over 26,324,750 shares.

(2) Brandes Investment Partners, LLC, Brandes Investment Partners, Inc., Brandes Worldwide Holdings, L.P., Charles H. Brandes, Glenn R. Carlson and Jeffrey A. Busby report shared voting power over 17,172,827 shares and shared dispositive power over 21,571,483 shares. Each of such persons disclaims any direct ownership of such shares except, with respect to certain of such persons, for an amount that is substantially less than one percent thereof.

Security Ownership of Directors and Executive Officers

The table below shows, as of February 14, 2003, the number of shares of CIT Common Stock owned by each director, by the Named Executive Officers and by the directors and executive officers as a group.

Name of Individual	Amount and Nature of Beneficial Ownership (CIT Common Stock and Exchangeable Shares)(1)(2)(3)	Percentage of Class
Albert R. Gamper, Jr.	648,685	*
John S. Chen	10,249	*
William A. Farlinger	5,776	*
Thomas H. Kean	26,036	*
Edward J. Kelly, III	4,064	*
Marianne Miller Parrs	990	*
Peter J. Tobin	7,891	*
Lois M. Van Deusen	-0-	*
Thomas B. Hallman	42,638	*
Joseph M. Leone	136,044	*
Lawrence A. Marsiello	141,156	*
Nikita Zdanow	176,775	*
All Directors and Executive Officers as a group (16 persons)	1,648,563	*

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* Represents less than 1% of the total outstanding Common Stock.

(1) Includes shares of Restricted Stock issued under the ECP, for which the

holders have voting rights, but for which ownership has not vested, in the following amounts: Mr. Gamper - 230,023 shares, Mr. Chen - 2,064 shares,

Mr. Kelly - 2,064 shares, Ms. Parrs - 990 shares, Mr. Hallman - 22,675 shares, Mr. Leone - 27,473 shares, Mr. Marsiello - 24,454 shares, and Mr. Zdanow - 24,641 shares.

(2) Includes shares of CIT Common Stock issuable pursuant to stock options awarded under the ECP that have vested or will vest within 60 days after February 14, 2003 in the following amounts: Mr. Gamper - 378,101 shares, Mr. Chen - 8,185 shares, Mr. Farlinger - 5,776 shares, Mr. Kean - 16,036 shares, Mr. Tobin - 7,891 shares, Mr. Hallman - 9,963, Mr. Leone - 98,571 shares, Mr. Marsiello- 111,702 shares, Mr. Zdanow - 150,634 shares.

(3) Includes 391,807 shares of Restricted Stock issued under the ECP, for which all executive officers and directors as a group have voting rights, but for which ownership has not vested, and 1,128,934 shares of Common Stock issuable pursuant to stock options awarded under the ECP to all executive officers and directors as a group that have vested or will vest within 60 days after February 14, 2003, including Restricted Stock issued and stock options awarded to the spouse of one executive officer, who is also an employee of CIT.

Certain Relationships and Related Transactions

We have in the past and may in the future enter into certain transactions with affiliates. Such transactions have been, and it is anticipated that such transactions will continue to be, entered into at a fair market value for the transaction.

General

Tyco acquired us in June 2001 and we became an indirect, wholly owned subsidiary of Tyco. In July 2002, Tyco sold 100% of our issued and outstanding Common Stock in our IPO. Prior to our IPO, some of our directors and executive officers were also directors, officers and employees of Tyco and/or its other subsidiaries.

In connection with our IPO, we entered into agreements with Tyco relating to our separation from Tyco and the ongoing relationship of the two companies after the offering date, as described below. In addition, while owned by Tyco, we engaged in a number of transactions and entered into a number of agreements with Tyco and its subsidiaries in the ordinary course of business relating to our business and our prior relationship with the Tyco group of companies, the material terms of which are described below.

Agreements Relating to Our Initial Public Offering

Separation Agreement

We entered into a separation agreement to address claims that may arise with respect to our respective businesses. The separation agreement provides for cross-indemnification and mutual releases designed principally to place financial responsibility for possible third-party claims relating to our business with us and financial responsibility for possible third-party claims relating to Tyco's businesses with Tyco. The cross-indemnification includes liabilities for misstatements relating to the registration of our Common Stock in our IPO. In addition, Tyco has indemnified us against liabilities for misstatements in filings and press releases made to comply with securities laws, unless the misstatements are solely attributable to us. The separation agreement also provides for access to information, insurance, cooperation in the event of litigation and avoidance of conduct or statements that would be injurious to one another.

Tax Agreement

We entered into an agreement pursuant to which Tyco has indemnified us for any income-based tax liabilities, determined on a non-consolidated basis, imposed on any of our predecessors for periods or partial periods ending on or prior to the date such predecessors merged into us. Tyco also indemnified us for any liability of ours or of our predecessors for any income-based taxes imposed as a result of the merger of our predecessors with us. We are also indemnified for any penalties imposed on us resulting from the late filing of federal income tax returns that were prepared by or under the direction for Tyco on our behalf and from late payments related to those returns. Tyco has also indemnified us for any liability for U.S. federal income taxes and income taxes of New York, New Jersey and any other state for which a unitary return was filed, resulting from a tax position reflected on any applicable income tax return prepared by, or under the direction of, Tyco on our behalf which was taken by Tyco in a manner inconsistent with our past practices. Tyco did not indemnify us, however, for any tax liability resulting from a claim for refund filed by or on behalf of our predecessor on May 30, 2002. The agreement further provides that we will pay Tyco for the use of any tax attributes of Tyco Capital Holding Inc., one of our predecessors, existing as of the date of the merger with us. We believe that as

of the date of the merger, the tax attributes of Tyco Capital Holding Inc. consisted of net operating losses. The payments to Tyco will be based on the actual tax benefits that we realize from the Tyco Capital Holding Inc. tax attributes.

Financial Services Cooperation Agreement

We entered into an agreement with Tyco pursuant to which we may have the opportunity to provide financing for Tyco customers after our IPO. Pursuant to this agreement, Tyco may offer us the opportunity in appropriate circumstances to develop financing programs under which we could offer Tyco customers financing, leasing, rental and related financial services and products. We may also have the opportunity to provide other financial services in connection with the acquisition of products and services from third party suppliers. This agreement will remain in effect until terminated by either party on 90 days' notice.

Operating Agreement

When Tyco acquired us, CIT and Tyco entered into an Operating Agreement, dated as of June 1, 2001, that provided that (i) CIT and Tyco would not engage in transactions, including finance, underwriting and asset management and servicing transactions, unless the transactions were at arm's-length and for fair value, (ii) CIT would have sole discretion and decision-making authority for underwriting, managing and servicing assets in transactions originated through Tyco, (iii) dividends and distributions from CIT to Tyco were limited to (x) fifteen percent (15%) of our cumulative net income, plus (y) the net capital contributions by Tyco to CIT, and (iv) CIT would at all times maintain our books, records and assets separately from Tyco. The Operating Agreement terminated upon completion of our IPO.

Other Transactions

As of December 31, 2002, certain subsidiaries of Tyco sold receivables totaling $350.0 million to CIT in a factoring transaction. At various times during Tyco's ownership of CIT, CIT and Tyco engaged in similar factoring transactions, the highest amount of which was $384.4 million.

We have entered into a number of equipment loans and leases with affiliates of Tyco. Lease terms generally range from 3 to 12 years. Tyco has guaranteed payment and performance obligations under each loan and lease agreement. At December 31, 2002, the aggregate amount outstanding under these equipment loans and leases was approximately $28.9 million.

On May 1, 2002, CIT assumed a third-party corporate aircraft lease obligation from Tyco. The assumed lease obligation is approximately $16.0 million and extends for 134 months beginning on May 1, 2002. Prior to Tyco's acquisition of CIT, CIT had an agreement to purchase this aircraft directly from the previous owner.

On September 30, 2001, we sold at net book value certain international subsidiaries to a non-U.S. subsidiary of Tyco. As a result of this sale, we had receivables from affiliates totaling $1,440.9 million, representing our debt investment in these subsidiaries. CIT charged arm's length, market-based interest rates on these receivables, and recorded $19.0 million of interest income, as an offset to interest expense, related to those notes for the quarter ended December 31, 2001. A note receivable issued at the time of this transaction of approximately $295 million was collected. Following Tyco's announcement on January 22, 2002 that it planned to separate into four independent, publicly traded companies, we repurchased at net book value the international subsidiaries on February 11, 2002. In conjunction with this repurchase, the receivables from affiliates of $1,588.1 million on the Consolidated Balance Sheet at December 31, 2001 was satisfied.

While CIT was an indirect subsidiary of Tyco, certain of CIT's expenses, such as third party consulting and legal fees, were paid by Tyco and billed to CIT. The payables were subsequently satisfied.

PROPOSAL 2

APPOINTMENT OF INDEPENDENT ACCOUNTANTS

The Audit Committee has appointed the firm of PricewaterhouseCoopers LLP ("PricewaterhouseCoopers"), 1177 Avenue of the Americas, New York, New York 10036, as independent accountants to examine the financial statements of CIT and its subsidiaries for the year ending December 31, 2003, and to perform appropriate auditing services. A resolution will be presented at the meeting to ratify the appointment. The affirmative vote of a majority of the number of votes entitled to be cast by the Common Stock represented at the meeting is needed to ratify the appointment. If the stockholders do not ratify the appointment of PricewaterhouseCoopers, the Audit Committee will reconsider the selection of independent accountants.

PricewaterhouseCoopers has examined our financial statements since June 2001. A member of PricewaterhouseCoopers will be present at the meeting, will have the opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions by stockholders.

Changes in and Disagreements with Accountants on Accounting and Financial

Disclosure.

Prior to Tyco's acquisition of CIT, the independent auditor for CIT was KPMG LLP. The independent auditor for Tyco was PricewaterhouseCoopers. On June 1, 2001, in connection with the acquisition, Tyco and CIT jointly determined that CIT would terminate its audit engagement with KPMG LLP and enter into an audit engagement with PricewaterhouseCoopers, in order to facilitate the auditing of Tyco's Consolidated Financial Statements. CIT's Board approved the appointment of PricewaterhouseCoopers as the independent auditor for CIT.

In connection with the audit of the year ended December 31, 2000, and the subsequent interim period through June 1, 2001, there were no disagreements with KPMG LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreement.

The audit report of KPMG LLP on the Consolidated Financial Statements of CIT and its subsidiaries as of and for the year ended December 31, 2000 did not contain any adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles.

Audit Fees

Aggregate fees for professional services rendered by PricewaterhouseCoopers in connection with its audits of the Company's consolidated financial statements as of and for the three months ended December 31, 2002 were $1.3 million. Aggregate fees in connection with its audit of the Company's consolidated financial statements as of and for the year ended September 30, 2002, including limited reviews of the Company's unaudited interim financial statements, were $3.6 million.

Financial Information Systems Design and Implementation Fees

During the transition period ended December 31, 2002 and year ended September 30, 2002, PricewaterhouseCoopers rendered no professional services to the Company in connection with the design and implementation of financial information systems.

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All Other Fees

In addition to the fees described above, aggregate fees of $0.5 million and $3.4 million were billed by PricewaterhouseCoopers during the three months ended December 31, 2002 and year ended September 30, 2002, respectively, primarily for the following professional services (in millions):

	Three months ended December 31, 2002	Twelve months ended September 30, 2002
Audit related services (a)	$0.38	$2.93
Income tax compliance and related tax services	$0.09	$0.47
Other	--	--
Total All Other Fees	$0.47	$3.40

(a) Audit related services include fees for audit and attestation services related to the following: financial statements of certain subsidiaries with statutory reporting requirements, financial statements of employee benefit plans, consents and comfort letters in conjunction with various SEC filings/debt offerings, agreed-upon procedures related to securitized receivable pools, and securitization and third-party servicing compliance requirements. The above fees exclude professional fees relating to the SEC registration statement filed in conjunction with our IPO.

The Audit Committee has determined that CIT will not retain PricewaterhouseCoopers for any non-audit professional services without the prior approval of the Audit Committee. In general, CIT does not retain PricewaterhouseCoopers to provide information systems, tax, or other consulting services. The Audit Committee has determined that the professional services provided by PricewaterhouseCoopers as described above are compatible with maintaining the principal accountant's independence.

The Board of Directors recommends a vote "For" the ratification of PricewaterhouseCoopers LLP as CIT's independent auditors for 2003.

PROPOSAL 3

APPROVAL OF LONG-TERM EQUITY COMPENSATION PLAN

Description of the Long-Term Equity Compensation Plan

The ECP covers directors and employees of CIT and its subsidiaries, which is approximately 5,850 persons. The ECP is administered by the Compensation and Governance Committee of the Board, and by the full Board with respect to grants of awards to non-employee directors (the "Administrator"). A total of 26 million shares were originally reserved for issuance under the ECP. As of March 31, 2003, a total of 6,302,504 shares are available for future grants to participants.

The ECP became effective on June 1, 2002 and has been amended (i) to remove "annual incentive awards" from the ECP and provide for them in the Annual Bonus Plan, (ii) to increase the number of available shares from 26 million to 36 million, (iii) to incorporate limitations on the grant of certain awards, (iv) to revise the definition of "change of control, and (v) to make other administrative changes.

The following is a summary of the principal features of the ECP and does not purport to be complete. Stockholders are urged to read the ECP in its entirety. This summary is qualified by reference to the ECP itself. The full text of the ECP is attached as Annex C.

The ECP provides for the grant of Awards, with the terms set forth in the individual award agreements (Award Agreements"). The Administrator has the discretion to select the participants to whom Awards will be granted and the type, size and terms and conditions applicable to each Award, and the authority to interpret, construe and implement the provisions of the ECP. The Administrator's decisions will be binding at all times. All Awards under the ECP will be intended to constitute deductible "qualified performance-based compensation" within the meaning of Internal Revenue Code Section 162(m), provided, however, that in the event the Administrator determines that such compliance is not desired with respect to an Award of Restricted Stock (as defined below), compliance with Internal Revenue Code Section 162(m) will not be required.

Subject to adjustments made as a result of a change in corporate capitalization or a corporate transaction, the total number of shares of Common Stock that may be subject to Awards under the ECP is 36 million shares, with no more than 5 million shares of Common Stock being issuable in the form of restricted stock, performance shares or performance units. Any shares of Common Stock under Awards that terminate or lapse will again be available under the ECP, and any shares that are transferred or relinquished to CIT in satisfaction of the exercise price or any withholding obligation with respect to an Award will be deemed to be available for Awards under the ECP. In addition, if any Awards granted under another equity compensation plan are converted into Awards granted under the ECP in connection with a merger or other business transaction approved by our stockholders, the number of shares of Common Stock that may be subject to Awards under the ECP will be increased by the number of shares covered by the converted Awards. Common Stock issued under the ECP may be either authorized but unissued shares, treasury shares or any combination thereof.

Because the Administrator makes discretionary grants under the ECP, the amount and dollar value of future grants are not determinable at this time. The maximum aggregate number of shares of Common Stock that may be granted in the form of stock options, stock appreciation rights, restricted stock, or performance units/shares in any one fiscal year to any one participant is 100% of the shares available under the ECP. The maximum dollar limit of cash payable for performance units in any performance period for one participant is $10 million.

With respect to any Awards based in whole or in part on performance objectives, prior to the end of the performance period during which performance will be measured (the "Performance Period"), the Administrator, in its discretion, may adjust the performance objectives to reflect an event that may materially affect CIT's performance including, but not limited to, market conditions, changes in accounting policies or practices, an acquisition or disposition of assets or other property by CIT, or other unusual or unplanned events.

Set forth below is a brief description of the Awards that may be granted under the ECP:

Stock Options. Options (each an "Option") to purchase shares of Common Stock, which may be incentive or non-qualified stock options, may be granted under the ECP at an exercise price (the "Option Price") determined by the Administrator in its discretion. The Option Price will not be less than the fair market value of the Common Stock on the date of grant of an Option, unless (a) the Option is a substitute award granted in

connection with an acquisition or merger or (b) the grant is contingent upon the completion of a securities offering and the exercise price of the Option is not less than the value of the securities offered. Each Option represents the right to purchase one share of Common Stock at the specified Option Price.

Options will expire no later than ten years after the date on which they were granted.

Stock Appreciation Rights. An Award of a stock appreciation right ("SAR") may be granted under the ECP with respect to shares of Common Stock. Generally, one SAR is granted with respect to one share of Common Stock. The SAR entitles the participant, upon the exercise of the SAR, to receive an amount equal to the appreciation in the underlying share of Common Stock. The appreciation is equal to the difference between (i) the "base value" of the SAR (which is determined with reference to the fair market value of the Common Stock on the date the SAR is granted) and (ii) the fair market value of the Common Stock on the date the SAR is exercised. Upon the exercise of a vested SAR, the exercising participant will be entitled to receive the appreciation in the value of one share of Common Stock as so determined.

Tandem Options/SARs. An Option and a SAR may be granted "in tandem" with each other (a "Tandem Option/SAR"). An Option and a SAR are considered to be in tandem with each other because the exercise of the Option aspect of the tandem unit automatically cancels the right to exercise the SAR of the tandem unit, and vice versa. The Option may be an incentive stock option or non-qualified stock option, and the Option may be coupled with one SAR, more than one SAR or a fractional SAR in any proportionate relationship selected by the Administrator. Descriptions of the terms of the Option and the SAR aspects of a Tandem Option/SAR are provided above.

Restricted Stock. An Award of restricted stock ("Restricted Stock") is an Award of Common Stock that is subject to restrictions including forfeiture conditions and restrictions against transfer for a period specified by the Administrator. Restricted Stock Awards may be granted under the ECP for services and/or payment of cash. Restrictions on Restricted Stock may lapse in installments based on factors selected by the Administrator. A grantee who has received a Restricted Stock Award generally has the rights of a stockholder of CIT, including the right to vote and to receive cash dividends on the shares subject to the Award, unless otherwise determined by the Administrator. Stock dividends issued with respect to a Restricted Stock Award may be treated as additional shares under such Award with respect to which such dividends are issued.

Performance Shares and Performance Units. A performance share Award ("Performance Shares") and/or a performance unit Award (a "Performance Unit") may be granted under the ECP. Each Performance Unit will have an initial value that is established by the Administrator at the time of grant. Each Performance Share will have an initial value equal to the fair market value of one share of Common Stock on the date of grant. Such Awards may be earned based upon satisfaction of certain specified performance criteria. Performance objectives will be established before, or as soon as practicable after, the commencement of the Performance Period. The extent to which a grantee is entitled to payment in settlement of such an Award at the end of a Performance Period will be determined based on whether the performance criteria have been met and payment will be made in cash or in shares of Common Stock, or some combination thereof.

Performance Measures. The Administrator may grant Awards under the ECP to eligible participants subject to the attainment of specified pre-established performance measures. The number of performance-based Awards granted under the ECP in any fiscal year is determined by the Administrator. The Administrator will adopt in writing each year, within 90 days of the beginning of such year, the applicable performance goals that must be achieved in order to receive annual performance-based Awards and, if applicable, shares of Restricted Stock, Performance Units and Performance Shares. At the time that performance goals are established by the Administrator for a year, the Administrator will establish an individual performance-based Award opportunity for such year for each participant or group of participants. A participant's individual annual performance-based Award opportunity is based on the participant's achievement of his or her performance goals during such year and may be expressed in dollars, as a percentage of base salary, or by formula. A participant's actual performance-based Award may be paid in cash, shares of Common Stock or a combination thereof.

The value of performance-based Awards may be based on absolute measures or on a comparison of CIT's measures during a Performance Period to the comparable measures of a group of competitors. Measures selected by the Administrator shall be one or more of the following and, where applicable, may be measured before or after interest, depreciation, amortization, service fees, extraordinary items and/or special items: pre-tax

earnings, operating earnings, after-tax earnings, return on investment, revenues or income, net income, absolute and/or relative return on equity, capital invested or assets, earnings per share, cash flow or cash flow on investments, profits, earnings growth, share price, total stockholder return, economic value added, expense reduction, customer satisfaction, or any combination of the foregoing measures as the Administrator deems appropriate.

Change of Control. Upon a Change of Control of CIT (as defined for purposes of the ECP): (i) all outstanding Options and SARs will become immediately exercisable and will remain exercisable until the earlier of the expiration of their initial term or the second anniversary of the grantee's termination of employment with CIT; (ii) all restrictions on outstanding shares of Restricted Stock will lapse; (iii) the performance goals with respect to all outstanding awards of Restricted Stock, Performance Shares and Performance Units will be deemed to have been fully attained for the Performance Period; and (iv) the vesting of all Awards denominated in shares of Common Stock will be accelerated.

No Repricing. No repricing of any Awards under the ECP will occur without stockholder approval.

Federal Income Tax Consequences

The following summary describes the principal federal income tax consequences of Awards made under the ECP. The summary is based upon an analysis of the Internal Revenue Code, as currently in effect, judicial decisions, administrative rulings, regulations and proposed regulations, all of which are subject to change. Any such change could have retroactive effect and could affect the consequences described in the summary. The summary does not purport to cover all federal income tax consequences that may apply to a participant and does not contain any discussion of foreign, state or local tax laws. Participants are urged to consult their own tax advisors regarding the tax consequences to them of Awards under the ECP.

A participant will not recognize any income upon the grant of an Option. A participant will recognize compensation taxable as ordinary income (and be subject to income tax withholding) upon exercise of a nonqualified stock option equal to the excess of the fair market value of the shares of Common Stock purchased over their exercise price, and the Company will be entitled to a corresponding deduction. A participant will not recognize income (except for purposes of the alternative minimum tax) upon exercise of an incentive stock option. If the shares of Common Stock acquired by exercise of an incentive stock option are held for the longer of two years from the date the Option was granted or one year from the date it was exercised, any gain or loss arising from a subsequent disposition of the shares of Common Stock will be taxed as long-term capital gain or loss, and the Company will not be entitled to any deduction. If, however, the shares of Common Stock are disposed of within this period, then in the year of disposition the participant will recognize compensation taxable as ordinary income equal to the lesser of the amount realized upon such disposition or the fair market value of the shares of Common Stock on the date of exercise minus the exercise price. The Company will be entitled to a corresponding deduction.

A participant who is granted SARs will not recognize any taxable income upon the grant of the SARs. Upon exercise, the participant will recognize taxable compensation in an amount equal to the fair market value of any shares of Common Stock delivered and the amount of cash paid by the Company. This amount is deductible by the Company as compensation expense.

A participant receiving Restricted Stock will not recognize taxable income at the time of the grant, and the Company will not be entitled to a tax deduction at that time, unless the participant makes an election under Internal Revenue Code Section 83(b) to be taxed at the time that the Restricted Stock is granted. If an Internal Revenue Code Section 83(b) election is not made, the participant will recognize taxable income at the time that the restrictions lapse in an amount equal to the excess of the fair market value of the shares of Common Stock at that time over the amount, if any, paid for the shares of Common Stock. The amount of ordinary income recognized by a participant by making an Internal Revenue Code Section 83(b) election or upon the lapse of the restrictions is deductible by the Company as compensation expense, except to the extent that the deduction limits applicable to compensation in excess of $1 million apply. In addition, a participant receiving dividends with respect to Restricted Stock for which an Internal Revenue Code Section 83(b) election has not been made and before the restrictions lapse will recognize taxable compensation, rather than dividend income, in an amount equal to the dividends paid, and the Company will be entitled to a corresponding deduction, except to the extent that the compensation deduction limit applies.

A participant receiving Performance Shares or Performance Units will not recognize taxable income upon the grant of the shares or units, and the Company will not be entitled to a tax deduction at that time. Upon the settlement of the Performance Shares or Performance Units, the participant will recognize ordinary income in an amount equal to the fair market value of any shares of Common Stock delivered and any cash paid by the Company. This amount is deductible by the Company as compensation expense, except to the extent that the compensation deduction limit applies.

The Board of Directors recommends that you vote "For" the approval of the CIT Group Inc. Long-Term Equity Compensation Plan.

PROPOSAL 4

APPROVAL OF ANNUAL BONUS PLAN

Description of the Annual Bonus Plan

The Annual Bonus Plan is a performance-based plan in which payments are based on the achievement of performance goals in accordance with the requirements of Internal Revenue Code Section 162(m). The Annual Bonus Plan replaces the annual bonus features previously included in the ECP. The Annual Bonus Plan, including the performance goals thereunder, is being submitted to stockholders for approval pursuant to Internal Revenue Code Section 162(m) and the corresponding regulations.

The following is a summary of the principal features of the Annual Bonus Plan and does not purport to be complete. Stockholders are urged to read the Annual Bonus Plan in its entirety. This summary is qualified by reference to the Annual Bonus Plan itself. The full text of the Annual Bonus Plan is attached as Annex D.

The Annual Bonus Plan provides annual incentive awards to qualified employees of CIT and its subsidiaries, which as of Apr