

CIT GROUP INC  
Form DEF 14A  
March 30, 2017  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**SCHEDULE 14A**

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

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Filed by the Registrant  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))
  - Definitive Proxy Statement
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**CIT Group Inc.**

**(Name of Registrant as Specified In Its Charter)**

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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

**CIT GROUP INC.  
11 West 42nd Street  
New York, NY 10036**

March 30, 2017

Dear Stockholder:

You are cordially invited to attend our Annual Meeting of Stockholders on Tuesday, May 9, 2017, at 11:00 a.m., Eastern Daylight Saving Time, at our corporate offices at One CIT Drive, Livingston, New Jersey 07039. Internet and telephone voting are available until 11:59 p.m., Eastern Daylight Saving Time, the day prior to the meeting.

In connection with our Annual Meeting, we have provided our stockholders with our Notice of Annual Meeting, Proxy Statement, proxy card and 2016 Annual Report. These documents provide detailed information related to the matters to be addressed during the Annual Meeting, as well as our business activities and operating performance. On March 30, 2017, we mailed to our stockholders a notice of the Internet availability of proxy materials ( Access Notice ) containing instructions on how to access these materials online. Electronic delivery expedites your receipt of proxy materials, while lowering expenses and reducing the environmental impact of our Annual Meeting. If you received an Access Notice by mail, you will not receive printed copies of the materials unless you request them by following the instructions in the Access Notice.

In addition to the formal items of business to be brought before the Annual Meeting, we will respond to stockholder questions. **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 postage paid envelope as soon as possible, or follow the instructions to vote online or by telephone.** Your vote is very important. Submitting your vote by proxy will not limit your right to attend the Annual Meeting.

On behalf of the entire Board of Directors, we thank you for your support of CIT and hope to see you at our Annual Meeting.

Sincerely,

Ellen R. Alemany  
*Chairwoman and Chief Executive Officer*

**CIT GROUP INC.  
One CIT Drive  
Livingston, NJ 07039**

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 9, 2017**

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TO THE STOCKHOLDERS OF CIT GROUP INC.:

Notice is hereby given that the 2017 Annual Meeting of Stockholders (the **Annual Meeting**) of CIT Group Inc., a Delaware corporation ( **CIT** ), will be held at CIT's offices at One CIT Drive, Livingston, New Jersey 07039, on Tuesday, May 9, 2017 at 11:00 a.m., Eastern Daylight Saving Time, for the following purposes, as more fully described in the accompanying proxy statement (the **Proxy Statement**):

1. to elect CIT's Board of Directors to serve until the next annual meeting of stockholders – the Board has nominated for election the following twelve nominees: Ellen R. Alemany, Michael L. Brosnan, Michael A. Carpenter, Dorene C. Dominguez, Alan Frank, William M. Freeman, R. Brad Oates, Marianne Miller Parrs, Gerald Rosenfeld, Vice Admiral John R. Ryan, USN (Ret.), Sheila A. Stamps and Laura S. Unger;
2. to ratify the appointment of PricewaterhouseCoopers LLP as CIT's independent registered public accounting firm for 2017;
3. to hold a non-binding advisory vote on executive compensation;
4. to hold a non-binding advisory vote on the frequency of the advisory vote on executive compensation; and
5. to transact such other business as may properly come before the Annual Meeting.

Only stockholders of record as of the close of business on March 13, 2017, are entitled to receive notice of, to attend, and to vote at the Annual Meeting. Internet and telephone voting are available until 11:59 p.m., Eastern Daylight Saving Time, the day immediately prior to the Annual Meeting. To ensure that your vote is counted at the Annual Meeting, please vote your proxy as soon as possible.

Instructions to vote online, by telephone or by mail are in the Question and Answer section of the Proxy Statement included with this notice of Annual Meeting ( **Notice of Annual Meeting** ) and can also be found in the notice of the Internet availability of proxy materials mailed to you on March 30, 2017 ( **Access Notice** ). To vote online, by telephone or by mail, **you need your personal Control Number, which is included in the Access Notice**. There is no charge for requesting printed proxy materials. Stockholders who request printed proxy materials for 2017 will continue to receive printed proxy materials in future years until such time as they may opt out of paper delivery. To facilitate timely delivery of the proxy materials for the Annual Meeting, please make your request on or before April 25, 2017.

Go to [www.cit.com](http://www.cit.com) to be connected to CIT's website.

By Order of the Board of Directors,

Stuart Alderoty  
*Executive Vice President,  
General Counsel and Secretary*

Livingston, New Jersey  
March 30, 2017

TABLE OF CONTENTS	
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GENERAL INFORMATION	1
QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING	1
DIRECTORS	6
General Information	6
Board Evaluation	6
Director Qualifications and Experience	20
CORPORATE GOVERNANCE	21
Director Independence	22
Related Person Transactions Policy	22
Appointment of Directors	23
Diversity of Directors	23
Majority Voting for Directors	23
Board Leadership Structure	24
The Board's Role in Risk Oversight	24
Succession Planning	25
Director and Senior Executive Officer Stock Ownership Policy	25
Board Committees	25
Stockholder Communications with the Board	28
Compensation Committee Interlocks, Insider Participation and Banking Interlocks	29
Legal Proceedings	29
CIT Political Contributions Policy	29
Hedging, Margin Accounts and Pledged Securities	29
DIRECTOR COMPENSATION	30
Director Compensation Table	31
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	33
Security Ownership of Certain Beneficial Owners	33
Security Ownership of Directors and Executive Officers	34
EXECUTIVE OFFICERS	35
Section 16(a) Beneficial Ownership Reporting Compliance	38
EXECUTIVE COMPENSATION	39
Compensation Discussion and Analysis	39
Summary Compensation Table	60
Grants of Plan-Based Awards	62
Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table	63
Outstanding Equity Awards at Fiscal Year-End	64
Option Exercises and Stock Vested	65
Pension Benefits	66
Narrative Information Relating to Retirement Arrangements for Named Executive Officers	67
Nonqualified Deferred Compensation	69
Narrative Information Relating to Nonqualified Deferred Compensation	69
Narrative Information Relating to Potential Payments Upon Termination or Change of Control	69
Potential Payments Upon Termination or Change of Control	72
2017 COMPENSATION COMMITTEE REPORT	73
2017 AUDIT COMMITTEE REPORT	74
OVERVIEW OF PROPOSALS	75
PROPOSAL 1: ELECTION OF DIRECTORS	75
PROPOSAL 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	75
PROPOSAL 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION	77

PROPOSAL 4: ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON EXECUTIVE COMPENSATION	78
OTHER BUSINESS	79
STOCKHOLDER PROPOSALS AND NOMINATIONS FOR THE 2018 ANNUAL MEETING	79
ATTENDANCE AT THE ANNUAL MEETING	79

**YOUR VOTE IS IMPORTANT.  
PLEASE VOTE YOUR PROXY.**

**CIT GROUP INC.**

**PROXY STATEMENT**

## GENERAL INFORMATION

Our Board of Directors (the **Board**) is soliciting proxies from our stockholders in connection with our annual meeting of stockholders (**Annual Meeting**) to be held on May 9, 2017, and any adjournment of such meeting. No business can be conducted at the Annual Meeting unless a majority of all outstanding shares entitled to vote are either present in person or represented by proxy at the Annual Meeting. The only matters to be brought before the Annual Meeting are those referred to in this proxy statement (**Proxy Statement**). If any additional matters are properly presented at the Annual Meeting, the persons named as proxies may vote your shares in their discretion.

As permitted by rules adopted by the U.S. Securities and Exchange Commission (**SEC**), we have elected to provide access to this Proxy Statement, proxy card and our 2016 Annual Report (**Annual Report**) to you electronically via the Internet at [www.proxyvote.com](http://www.proxyvote.com), beginning on March 30, 2017. We believe that these rules allow CIT Group Inc. (**CIT** or the **Company**) to provide you with the information you need while reducing the environmental impact of the Annual Meeting and reducing expenses. If you are a holder of record, you will also receive this Proxy Statement, proxy card and our Annual Report by mail.

If you received a notice of the Internet availability of proxy materials (**Access Notice**) by mail, you will not receive a printed copy of the proxy materials in the mail. The Access Notice instructs you how to access and review all of the important information contained in the Proxy Statement, proxy card and Annual Report. The Access Notice also instructs you how to submit your vote over the Internet, by telephone or by mail. If you received an Access Notice and would like to receive a printed copy of our proxy materials, please follow the instructions for requesting such materials included in the Access Notice or as set forth below under **How do I vote? Vote by Mail**.

## QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

### When and where is the Annual Meeting?

**When:** Tuesday, May 9, 2017, at 11:00 a.m., Eastern Daylight Saving Time.

**Where:** One CIT Drive, Livingston, New Jersey 07039.

### Who is soliciting my vote?

CIT's Board of Directors is soliciting your vote for our Annual Meeting.

### What will I vote on?

You are being asked to vote:

to elect the directors to serve on CIT's Board until the next annual meeting of stockholders the Board has nominated for election the following twelve nominees: Ellen R. Alemany, Michael L. Brosnan, Michael A. Carpenter, Dorene C. Dominguez, Alan Frank, William M. Freeman, R. Brad Oates, Marianne Miller Parrs, Gerald Rosenfeld, Vice Admiral John R. Ryan, USN (Ret.), Sheila A. Stamps and Laura S. Unger (Proposal 1);

to ratify the appointment of PricewaterhouseCoopers LLP as CIT's independent registered public accounting firm for 2017 (Proposal 2);



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to approve executive compensation on an advisory basis (Proposal 3); and

to approve the frequency of the advisory vote on executive compensation on an advisory basis (Proposal 4).

You may also vote on any other business that properly comes before the Annual Meeting.

### **What is the record date for the Annual Meeting?**

The record date for the Annual Meeting is the close of business on March 13, 2017 ( **Record Date** ). The Record Date is used to determine those stockholders who are entitled to vote at the Annual Meeting and at any adjournment or postponement thereof.

### **How many votes can be cast by all stockholders?**

A total of 202,659,166 votes may be cast on each matter presented, consisting of one vote for each share of CIT common stock, par value \$0.01 per share, which was outstanding on the Record Date. CIT's common stock is listed on the New York Stock Exchange ( **NYSE** ), and CIT is subject to the NYSE's rules and regulations. There is no cumulative voting.

### **How many votes must be present to hold the Annual Meeting?**

A quorum of a majority of the votes entitled to be cast, or 101,329,584 votes, must be present in person or represented by proxy to hold the Annual Meeting. We urge you to vote by proxy even if you plan to attend the Annual Meeting. This will help us know as soon as possible that enough votes will be present to hold the Annual Meeting. In determining whether a quorum exists, we will include in the count shares represented by proxies that reflect abstentions and broker non-votes (as further described in this Proxy Statement under **What happens if I hold my shares through a broker but do not give my broker specific voting instructions?** ).

### **How do I vote?**

#### ***You may vote by proxy or in person at the Annual Meeting***

If you are a *holder of record* (that is, if your shares are registered in your own name with our transfer agent), we have furnished you with the proxy materials, including a proxy card. You may vote by mail, by telephone, on the Internet, or by attending the Annual Meeting and voting in person, as described below.

If you hold your shares in *street name* (that is, you hold your shares through a broker, bank or other holder of record), please refer to the information on the voting instruction form forwarded to you by your bank, broker or other holder of record to determine which voting options are available to you.

#### ***Vote by Mail***

To vote by mail, simply mark, sign and date the proxy card and return it in the postage-paid envelope provided. If you received an Access Notice, you can vote by mail by requesting paper copies of the Proxy Statement, proxy card and other materials by calling 1-800-579-1639, or going to [www.proxyvote.com](http://www.proxyvote.com) or by sending an email to [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com) and requesting a proxy card.

If you request a proxy card by e-mail, please send a blank e-mail to [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com) with your Control Number in the subject line. Your Control Number can be found in the Access Notice mailed to you on March 30, 2017. Upon receipt of your request, the proxy card and printed copies of the Annual Report and other proxy materials will be mailed to you. Upon receipt, simply mark, sign and date your proxy card and return it in the enclosed postage pre-paid envelope.

If you request printed copies, then in future years, you will continue to receive printed copies of the proxy card and other proxy materials automatically until such time as you may opt-out of receiving printed copies.

If you wish to vote by mail, please make your request for paper copies of the proxy card and other proxy materials on or before April 25, 2017. Votes by mailed proxy card must be received at CIT Group Inc., c/o Vote Processing, Broadridge, 51 Mercedes Way, Edgewood, NY 11717 by 8:00 a.m., Eastern Daylight Saving Time, on May 9, 2017, the day of the Annual Meeting.

#### ***Vote by Telephone***

You can vote by calling 1-800-690-6903. You will need your Control Number, which can be found in the Access Notice mailed to you on March 30, 2017. Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., Eastern Daylight Saving Time, on May 8, 2017.

#### ***Vote on the Internet***

You can also choose to vote on the Internet by going to [www.proxyvote.com](http://www.proxyvote.com). You will need your Control Number, which can be found in the Access Notice mailed to you on March 30, 2017. Use the Internet to transmit your vote up until 11:59 p.m., Eastern Daylight Saving Time, on May 8, 2017.

#### ***Vote at the Annual Meeting***

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If you want to vote in person at the Annual Meeting and you are a holder of record, you must register with the Inspector of Election at the Annual Meeting ( **Inspector of Election** ), and produce valid photo identification. If you want to vote in person at the Annual Meeting and you hold your shares in street name, you must obtain an additional proxy from your bank, broker or other holder of record authorizing you to vote. You must bring such proxy to the Annual Meeting, present it to the Inspector of Election, and produce valid photo identification.

- 2 -

### What does it mean to give a proxy?

Your properly completed proxy card will appoint Stuart Alderoty, Eric S. Mandelbaum and James P. Shanahan, each of whom is an officer of CIT, as proxy holders or your representatives to vote your shares in the manner directed by you. Your proxy card permits you to direct the proxy holders to vote for or against, or abstain from voting, regarding each of the nominees for director and each of Proposals 2 and 3 and permits you to vote for 1 Year, 2 Years, or 3 Years, or abstain from voting, regarding Proposal 4. All of your shares entitled to vote and represented by a properly completed proxy card received prior to the Annual Meeting and not revoked will be voted at the Annual Meeting in accordance with your instructions.

### How many votes will be required to elect directors or to adopt the other proposals?

Because this election is not a contested election, to elect directors to the Board, a majority of the votes cast for each nominee for director at the Annual Meeting is required. A nominee for director shall be elected to the Board if the votes cast for such nominee's election exceed the votes cast against such nominee's election. Votes cast exclude abstentions and broker non-votes (as further described below under "What happens if I hold my shares through a broker but do not give my broker specific voting instructions?").

The affirmative vote of a majority of the shares present at the Annual Meeting in person or by proxy and entitled to vote is required to: (a) ratify the appointment of CIT's independent registered public accounting firm (Proposal 2); and (b) approve the non-binding advisory vote on executive compensation (Proposal 3). Abstentions will not be included in the affirmative vote and thus will have the same effect as a vote against each of Proposals 2 and 3.

The non-binding vote on the frequency of the advisory vote on executive compensation (Proposal 4) receiving the greatest number of votes (*i.e.*, every 1, 2 or 3 years) will be considered the frequency recommended by stockholders. Abstentions will have no effect on the outcome of such vote.

Although the advisory votes on Proposals 3 and 4 are non-binding, as provided by law, the Board will review the result of the vote and may take it into account in considering executive compensation going forward.

### Can a director be elected without receiving votes from a majority of the shares outstanding?

No stockholder has nominated pursuant to the By-Laws of CIT ( **By-Laws** ) any candidates for our Board for inclusion on the agenda for the Annual Meeting, and therefore, the election is uncontested.

If a stockholder has provided notice of an intention to nominate one or more candidates to compete with the Board's nominees, in accordance with the requirements of the By-Laws, and such stockholder has not withdrawn such nomination by the tenth day before we mail our Notice of Annual Meeting, then a director may be elected by a plurality of the votes cast. This means that the twelve nominees who receive the most votes for would be elected, even if it is less than a majority of the total shares outstanding, and stockholders would not be permitted to vote against a nominee. However, under our By-Laws and corporate governance guidelines ( **Corporate Governance Guidelines** ), if the election of directors is uncontested, meaning that the only nominees are those recommended by the Board (as is the case for this Annual Meeting), each nominee for director must receive more votes for than against his or her election or re-election. Any nominee who fails to receive the required vote for his or her election or re-election must promptly tender his or her resignation to the Chairwoman of the Board. If an incumbent director fails to receive the required vote for re-election, the Nominating & Governance Committee of the Board (the **Governance Committee** ) will promptly consider the resignation submitted by such director and will recommend to the Board whether to accept such resignation. The Board will act on the recommendation of the Governance Committee no later than 90 days following the date of the Annual Meeting. See **Corporate Governance** **Majority Voting for Directors** and **Corporate Governance** **Appointment of Directors** in this Proxy Statement.

### Can I change or revoke my proxy?

Yes, you may change your vote or revoke your proxy at any time before it is exercised. To do so, you should:

- send in a new proxy card with a later date;
- send a written revocation to the Corporate Secretary;
- cast a new vote by telephone or Internet; or
- attend the Annual Meeting and vote in person.

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Written revocations of a prior vote must be sent by mail to CIT's Corporate Secretary at One CIT Drive, Livingston, NJ 07039, or by delivering a duly executed proxy bearing a later date. If you attend the Annual Meeting and vote in person, your vote will revoke any previously submitted proxy. If you hold your shares in street name, you must contact your broker if you wish to change your vote.

- 3 -

**What if I do not return a signed proxy card?**

If you are a holder of record and you do not return a signed proxy card to vote shares held in your name, those shares will not be voted.

**What if I return a signed proxy card but do not indicate my vote for one or more of the matters on my proxy card?**

If you return a signed proxy card without indicating your vote, your shares will be voted for each of the twelve nominees named in Proposal 1 Election of Directors, and for Proposals 2 and 3 and for the resolution and the Board's recommendation of 1 Year with respect to Proposal 4 (except in the case of a broker non-vote as described below under What happens if I hold my shares through a broker but do not give my broker specific voting instructions? ).

**What happens if I hold my shares through a broker but do not give my broker specific voting instructions?**

If you hold your shares in street name with a broker who is a member of the NYSE and do not instruct your broker as to how to vote your shares, your broker can vote your shares on the ratification of the selection of our independent registered public accounting firm (Proposal 2), in your broker's discretion; however, absent such specific voting instruction, your broker cannot vote on the election of directors (Proposal 1), the non-binding advisory vote on executive compensation (Proposal 3) or the non-binding advisory vote on the frequency of the advisory vote on executive compensation (Proposal 4), and your proxy would represent shares reflecting a broker non-vote with respect to Proposals 1, 3 and 4.

A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received instructions from the beneficial owner, or person entitled to vote, and does not have discretionary authority to vote the shares. This could occur on Proposals 1, 3 and 4, but not on Proposal 2.

Shares represented by proxies that reflect a broker non-vote will, like abstentions, be counted for purposes of determining whether a quorum exists. However, with respect to Proposal 1, abstentions and broker non-votes will not be considered votes cast, and, therefore will have no effect on whether a director is elected. With respect to Proposal 3, while abstentions will have the same effect as votes cast against such Proposal, broker non-votes will not be counted as entitled to vote on Proposal 3 and thus will have no effect on the outcome of such votes. With respect to Proposal 4, abstentions and broker non-votes will have no effect on the outcome of such vote.

Brokers who are members of the Financial Industry Regulatory Authority may vote shares held by them in nominee name if they are permitted to do so under the rules of any national securities exchange to which they belong. A member broker of the NYSE is prohibited, under NYSE rules, from voting on matters that are not routine if the beneficial owner has not provided the broker with voting instructions.

**Why haven't I received a printed copy of the Proxy Statement, proxy card or Annual Report?**

We have elected to take advantage of the SEC's rule that allows us to furnish proxy materials to you online. We believe electronic delivery will expedite your receipt of materials, while lowering costs and reducing the environmental impact of our Annual Meeting by reducing printing and mailing of full sets of proxy materials. On March 30, 2017, we mailed to our stockholders an Access Notice containing instructions on how to access our Proxy Statement, proxy card and Annual Report online. If you received such Access Notice by mail, you will not receive a printed copy of the proxy materials, unless you specifically request one no later than the date specified in this Proxy Statement; however, the Access Notice contains instructions on how to receive a paper copy of the Annual Report, proxy card and other proxy materials.

**What if multiple stockholders share the same address?**

SEC rules permit CIT to deliver a single Access Notice or, if a stockholder does not participate in electronic delivery of proxy materials, a single printed copy of the proxy materials, to stockholders who share the same address unless CIT has received contrary instructions from any stockholder at that address. This procedure, known as householding, is designed to reduce CIT's printing costs and postage fees. Each stockholder who participates in householding retains a separate right to vote on all matters presented at the Annual Meeting. If you participate in householding and wish to receive a separate copy of the Access Notice or proxy materials, please call 1-800-542-1061 or mail your request to: CIT Group Inc., c/o Broadridge Householding Department, 51 Mercedes Way, Edgewood, NY 11717. A separate copy of the Access Notice or proxy materials, as applicable, will be delivered promptly upon request. Any such stockholder may also opt out of householding and continue to receive separate copies of the Access Notice or proxy materials in the future by notifying CIT at the above-referenced address or telephone number. Other stockholders who have multiple accounts in their names or who share an address with other stockholders can request householding by notifying CIT at the above-referenced address or telephone number.

**Is this Proxy Statement available on the Internet?**

Yes. You can also view this Proxy Statement on the Internet by going to CIT's website at [www.cit.com/2017proxy](http://www.cit.com/2017proxy). You can elect to receive future proxy statements and annual reports over the Internet instead of receiving paper copies by mail by following the instructions set forth in the Access Notice or as set forth above under "Questions and Answers About the Annual Meeting and Voting - How do I vote?"

**Will my vote be confidential?**

Yes. We have a policy of confidentiality in the voting of shares. Individual stockholder votes are kept confidential, unless disclosure is: (i) necessary to meet legal requirements or to assert or defend claims for or against CIT, or (ii) made during a contested proxy solicitation, tender offer, or other change of control situations.

**What if there is voting on other matters?**

Our By-Laws provide that business may be transacted at the Annual Meeting only if it 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 Annual Meeting and who has complied with the notice procedures in our By-Laws. We did not receive notice of any stockholder proposals for the Annual Meeting.

**What was the deadline for stockholders to notify us of proposals for the Annual Meeting?**

The deadline for submitting stockholder proposals for the Annual Meeting for inclusion in the Proxy Statement was December 12, 2016. The deadline for submitting stockholder proposals for the Annual Meeting for inclusion on the agenda was February 9, 2017.

**What is the deadline for stockholders to notify us of proposals for the 2018 Annual Meeting of Stockholders?**

The deadline for submitting stockholder proposals for the 2018 annual meeting of stockholders ( **2018 Annual Meeting** ) for inclusion in the 2018 proxy statement is November 30, 2017. The deadline for submitting stockholder proposals for the 2018 Annual Meeting for inclusion on the agenda is February 8, 2018.

**Will a representative of CIT's independent registered public accounting firm be present at the Annual Meeting?**

Yes, a representative of PricewaterhouseCoopers LLP will attend the Annual Meeting and can answer questions that you may have. The representative will also have the opportunity to make a statement if PricewaterhouseCoopers LLP desires to do so. The Audit Committee has approved the appointment of PricewaterhouseCoopers LLP as our independent registered accounting firm and auditors for 2017.

**How can I attend the Annual Meeting?**

Only stockholders as of the Record Date (or their proxy holders) may attend the Annual Meeting. If you plan to attend the Annual Meeting or appoint someone to attend as your proxy, please check the appropriate box on your proxy card. If you are voting by telephone or Internet, follow the instructions provided to indicate that you or your proxy holder plan to attend. You or your proxy holder will need to show (a) photo identification, and (b) if you hold your shares in street name, proof of ownership as of the Record Date, such as a letter or account statement from your broker or bank, at the reception desk to gain admittance to the Annual Meeting.

**What happens if the Annual Meeting is postponed or adjourned?**

Your proxy remains valid and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

**Do any stockholders beneficially own more than 5% of our common stock?**

According to public filings made with the SEC on or before February 14, 2017, there were six stockholders that beneficially owned more than 5% of our common stock as of December 31, 2016: The Vanguard Group, Capital Research Global Investors, First Pacific Advisors, LLC, Franklin Mutual Advisers, LLC, FMR LLC and Blackrock, Inc. See "Security Ownership of Certain Beneficial Owners and Management Security Ownership of Certain Beneficial Owners" in this Proxy Statement.

**How can I review the list of stockholders eligible to vote?**

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A list of stockholders as of the Record Date will be available at our offices at both 11 West 42nd Street, New York, NY 10036 and One CIT Drive, Livingston, NJ 07039 from April 29, 2017, to the date of the Annual Meeting for inspection and review by any stockholder during regular business hours. We will also make the list available at the Annual Meeting.

- 5 -



**Where can I find the voting results of the Annual Meeting?**

The preliminary voting results will be announced at the Annual Meeting. The final voting results will be tallied by the Inspector of Election and published in CIT's Current Report on Form 8-K, which CIT is required to file with the SEC within four business days after the date of the Annual Meeting.

**Who will pay the expenses incurred in connection with the solicitation of my vote?**

CIT pays the cost of preparing proxy materials and of soliciting your vote. Proxies may be solicited on our behalf by our directors, officers or employees by telephone, electronic or facsimile transmission or in person.

We have retained D.F. King & Co., Inc. to assist us in this proxy solicitation, and we anticipate that their fees will be approximately \$18,000. 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.

**DIRECTORS**

**General Information**

During 2016, our Board met sixteen times. The number of 2016 meetings for each committee of the Board (each, a **Board Committee**) is disclosed in Corporate Governance Board Committees in this Proxy Statement. All of the nominees listed below who were Board members during all or a portion of 2016 attended at least 75% of the aggregate of the meetings of the Board and of any Board Committees on which he or she served that were held during his or her period of service on the Board. Our Corporate Governance Guidelines provide that directors are expected to attend the Annual Meeting. Each of the nominees listed below who are standing for re-election attended our 2016 annual meeting of stockholders.

The Board consists of a diverse group of professionals in their respective fields. Many of the current directors have or have had senior leadership experience at banks, financial institutions and other business, academic and governmental organizations. In these positions, they have gained expertise in strategic and financial planning, regulatory and banking matters, financial reporting, corporate governance, risk management and leadership development. Several of the current directors also have a longstanding knowledge and in-depth understanding of our businesses, products, and services. The biographies below describe the skills, qualifications, attributes and experiences of each of the nominees that were considered by the Board in determining that it was appropriate to nominate these directors.

The Governance Committee and the Board believe the skills, qualities, and experience of our directors provide CIT with a diverse range of perspectives and backgrounds to engage each other and management to effectively address CIT's needs and represent the best interests of CIT's stockholders.

**Board Evaluation**

Regular self-evaluation to ensure an effective Board is another important responsibility of the directors. The Corporate Governance Guidelines provide that the Board undertake a performance evaluation every year, overseen by the Governance Committee. In practice, each year, each director completes a questionnaire reflecting his or her assessment of the effectiveness of the Board and the Board Committees on which he or she serves. Although the specific questions may vary from year to year, the topics generally include the substance and efficiency of Board and Board Committee meetings and materials, utilization of skills and committee appointments, skills and experience needed for the Board, and Board engagement and interaction. The General Counsel confidentially summarizes the directors' responses for review by the Governance Committee, the Board and the Board Committees. The Board and Board Committees review the summary in executive session and consider what actions, if any, to take as a result.

**NOMINEES**

The information below includes each nominee's age as of February 22, 2017, and business experience during at least the past five years. CIT knows of no family relationships among the nominees. Certain directors may also be directors or trustees of privately held businesses or not-for-profit entities that may not be referred to below. With the exception of Ms. Alemany, all of the nominees are independent of management.

<b>Name</b>	<b>Age</b>	<b>Principal Occupation</b>
Ellen R. Alemany	61	Chairwoman and Chief Executive Officer of CIT and President and Chief Executive Officer of CIT Bank, N.A.
Michael L. Brosnan	58	Former Examiner-in-Charge for Midsize Bank Supervision Office of the Comptroller of the Currency
Michael A. Carpenter	69	Former Chief Executive Officer of Ally Financial, Inc.
Dorene C. Dominguez	54	Chairwoman and Chief Executive Officer of Vanir Group of Companies, Inc.
Alan Frank	65	Retired Partner of Deloitte & Touche LLP
William M. Freeman	64	Executive Chairman of General Waters Inc.
R. Brad Oates	63	Chairman and Managing Partner of Stone Advisors, LP
Marianne Miller Parrs	72	Retired Executive Vice President and Chief Financial Officer of International Paper Company
Gerald Rosenfeld	70	Vice Chairman of Lazard Ltd.
Vice Admiral John R. Ryan, USN (Ret.)	71	President and Chief Executive Officer of the Center for Creative Leadership and Retired Vice Admiral of the U.S. Navy
Sheila A. Stamps	59	Former Executive Vice President, Dreambuilder Investments, LLC and Senior Banking Executive
Laura S. Unger	56	Independent Consultant, Former Commissioner of the U.S. Securities and Exchange Commission

**Ellen R. Alemany**

Age: 61

**Board Committees:**

- N/A

Director Since:

January 2014

Chief Executive Officer Since:

April 2016

Chairwoman Since:

May 2016

**Other Public Directorships:**

- Fidelity National Information Services, Inc.

**Prior Senior Leadership Positions:**

- Chairman and Chief Executive Officer of RBS Citizens Financial Group, Inc.
- Head of Americas at The Royal Bank of Scotland Group plc
- Chief Executive Officer for Global Transaction Services at Citigroup
- First District Representative — Federal Advisory Council
- Board Member — Financial Services Roundtable
- Board Member — The Clearing House Payments Company

**Ms. Alemany** has served as a director of CIT since January 2014, was named Chief Executive Officer in April 2016 and became Chairwoman a month later in May 2016. She has led the principal bank subsidiary, CIT Bank N.A., since December 2015 when she was named Chief Executive Officer and President. Ms. Alemany became Chairwoman of CIT Bank in April 2016. She served as Vice Chairman of CIT beginning in October 2015.

Prior to joining CIT, Ms. Alemany was the Head of RBS Americas, the management structure that oversees The Royal Bank of Scotland's businesses in the Americas, and Chief Executive Officer of RBS Citizens Financial Group, Inc., an RBS subsidiary until she retired in September 2013. She joined RBS as the Head of RBS Americas in June 2007, and was named to the additional role of Chief Executive Officer of RBS Citizens Financial Group, Inc., a bank holding company, in March 2008. She was also appointed the Chairman of RBS Citizens Financial Group, Inc. in March 2009.

Ms. Alemany joined RBS from Citigroup, where she served as the Chief Executive Officer for Global Transaction Services from February 2006 until April 2007. Ms. Alemany joined Citigroup in 1987, and held a number of senior positions during her tenure, including Executive Vice President for the Commercial Business Group from March 2003 until January 2006, and also CitiCapital, where she served as President and Chief Executive Officer from September 2001 until January 2006. Prior to being appointed Executive Vice President for the Commercial Business Group in 2003, Ms. Alemany also held a number of executive positions in Citigroup's Global Corporate Bank. Ms. Alemany served on the Board of Directors of Automatic Data Processing, Inc. from 2011 until 2016 and has served on the Board of Directors of Fidelity National Information Services, Inc. since July 2014, and also currently serves as a director of The Center for Discovery and on the board of Operation HOPE.

**Qualifications:** Ms. Alemany brings a wealth of managerial and operational expertise to our Board with over 35 years of management experience in banking and financial services, including chief executive experience with a large, multinational commercial bank, as well as global financial management and regulatory experience and a proven track record of achievement and leadership.

**Michael L. Brosnan Other Public Directorships:**

Age: 58

- None

**Board Committees:**

- Audit
- Regulatory Compliance

**Senior Leadership Positions:**

- Director of CIT Bank, N.A.

**Prior Senior Leadership Positions:**

Director Since:

November 2016

- Examiner-in-Charge for Midsize Bank Supervision in the Office of the Comptroller of the Currency
- Senior Deputy Comptroller for Large Bank Supervision in the Office of the Comptroller of the Currency

**Mr. Brosnan** served as Examiner-In-Charge for Midsize Bank Supervision at the Office of the Comptroller of the Currency ( OCC ) from May 2013 to May 2016. Prior to that he was Senior Deputy Comptroller for Large Bank Supervision from December 2010 to April 2013. In addition, he served as a member of the OCC 's Executive Committee and the Committee on Bank Supervision. From 2004 to 2008, Mr. Brosnan served in executive management roles at MBNA and Bank of America, including Enterprise Operational Risk Executive responsible for risk management of the Global Technology and Operations, Chief Administrative Office, and Supplier Risk Management organizations of the bank. Mr. Brosnan previously served as Compliance Executive for Bank of America Card Services, and he oversaw the Operational Risk Management Division of MBNA America. Prior to his tenure with MBNA and Bank of America, Mr. Brosnan spent 21 years with the OCC. In 2003, he was named Senior National Bank Examiner, the highest honor and designation available to bank examiners.

Mr. Brosnan received a bachelor of science degree and an MBA from Lynchburg College in Virginia. He also earned the Chartered Financial Analyst designation. Mr. Brosnan also serves as a director of CIT Bank, N.A.

**Qualifications:** Mr. Brosnan provides the Board with experience in executive management, finance, commercial banking, and enterprise risk management, key areas for certain of CIT 's businesses. His experience as Examiner-In-Charge and Senior Deputy Comptroller at the OCC provides the Board with invaluable regulatory and executive management experience.

**Michael A. Carpenter Other Public Directorships:**

Age: 69

- Autobyte Inc.

**Board Committees: Senior Leadership Positions:**

- Compensation
- Chairman and Chief Executive Officer, Southgate Holdings Inc.
- Risk Management
- Director of CIT Bank, N.A.

**Prior Senior Leadership Positions:**

- Chief Executive Officer of Ally Financial, Inc.
- Chairman and Chief Executive Officer of Citigroup Alternative Investments

Director Since:

- Chairman and Chief Executive Officer of Citigroup Global Corporate and Investment Bank

May 2016

- Chief Executive Officer of Salomon Smith Barney Inc.
- Vice Chairman of Travelers Group Inc.
- Chairman, President and CEO of Kidder Peabody Group Inc.
- Vice President and Director, Boston Consulting Group

**Mr. Carpenter** served as Chief Executive Officer of Ally Financial, Inc. from November 2009 to February 2014 and as a member of its Board of Directors from May 2009 to February 2014. Mr. Carpenter previously served on the CIT Board in 2009, a position he left to become Chief Executive Officer of Ally Financial, Inc. In 2007, he founded Southgate Alternative Investments. From 2002 to 2006, he was chairman and chief executive officer of Citigroup Alternative Investments overseeing \$60 billion of proprietary capital and customer funds globally. From 1998 to 2002, Mr. Carpenter was chairman and chief executive officer of Citigroup's Global Corporate & Investment Bank with responsibility for Salomon Smith Barney Inc. and Citibank's corporate banking activities globally. Prior to Citigroup, he was chairman and CEO of Travelers Life & Annuity and vice chairman of Travelers Group Inc. From 1989 to 1994, he was chairman of the board, president, and CEO of Kidder Peabody Group Inc., a wholly owned subsidiary of General Electric Company. From 1986 to 1989, he was executive vice president of GE Capital Corporation and he joined GE in 1983 as vice president of Corporate Business Development and Planning. Earlier in his career, Mr. Carpenter spent nine years as vice president and director of the Boston Consulting Group and three years with Imperial Chemical Industries of the United Kingdom. Mr. Carpenter received a bachelor of science degree from the University of Nottingham, England, and an MBA from Harvard Business School. He also holds an honorary degree of Doctor of Laws from the University of Nottingham. He serves on the boards of Autobyte Inc., U.S. Retirement Partners, and the New York City Investment Fund. Mr. Carpenter has previously served as a board member of the New York Stock Exchange, General Signal, Loews Cineplex, and various other private and public companies. Mr. Carpenter is also a director of CIT Bank, N.A.

**Qualifications:** Mr. Carpenter provides the Board with experience in executive management, finance, asset management and restructurings, expertise in capital markets and capital management, key areas for certain of CIT's businesses. His experience as Chief Executive Officer of major financial services companies provides the Board with invaluable executive management experience.

**Dorene C. Dominguez Other Public Directorships:**

Age: 54

- None

**Senior Leadership Positions:**

**Board Committees:**

- Chairwoman and Chief Executive Officer, Vanir Group of Companies, Inc.
  - Regulatory Compliance
  - Director of CIT Bank, N.A.
- Director Since:

**Prior Senior Leadership Positions:**

February 2017

- Director, American River Bank

**Ms. Dominguez** currently serves as the Chairwoman and Chief Executive Officer of Vanir Group of Companies, Inc., and its subsidiaries Vanir Construction Management, Inc. and Vanir Development Company, Inc. Having a national presence in program, project, and construction management services, Vanir Construction Management is ranked #26 in revenue by Engineering News & Review. Ms. Dominguez is an active member of various community improvement projects, boards and commissions, including chair of The Dominguez Dream, which serves elementary schools in underserved communities by providing academic enrichment programs in math, science, language arts and engineering. She is a current member of the Latino Studies Board of Notre Dame University in South Bend Indiana, Pride Industries Board of Directors, Coca-Cola Hispanic Advisory Council and Cal Chamber Board, and sits on the Board of the University of Southern California, Lusk Center for Real Estate. Ms. Dominguez formerly served as a member of the American River Bank Board of Directors, the New America Alliance and the National Council of La Raza. Ms. Dominguez graduated from the University of Notre Dame and holds a bachelor's degree in business finance. She also earned a Certificate for Corporate Governance from the Center for Business and Government, John F. Kennedy School of Government, Harvard University. Ms. Dominguez is also a director of CIT Bank, N.A.

**Qualifications:** Ms. Dominguez provides the Board with extensive experience in executive management, finance, asset management and corporate governance.

**Alan Frank**

**Other Public Directorships:**

Age: 65

- None

**Board Committees: Senior Leadership Positions:**

- Audit

- Director of CIT Bank, N.A.

**Prior Senior Leadership Positions:**

Director Since:

- Director of OneWest Bank N.A.

August 2015

- Partner of Deloitte & Touche LLP

- Director of IMB Holdco LLC

**Mr. Frank** has served as a director of CIT since August 2015 and as a director of OneWest Bank N.A. from 2014 to 2015. Mr. Frank spent 40 years with Deloitte & Touche LLP and retired in December 2012. With Deloitte & Touche, he led audit service teams from 1983 to 2012 and he led the Southern California consumer business and middle market audit practices from 1986 through 2010. Mr. Frank has significant experience with mergers and acquisitions, financial reporting matters, initial public offerings, and high growth companies. Mr. Frank graduated from the University of Southern California with a Bachelor of Science Degree.

**Qualifications:** Mr. Frank provides the Board with over 40 years of experience in external audit matters as a partner of a nationally recognized accounting firm.

**William M. Freeman**

Age: 64

**Other Public Directorships:**

- None

**Senior Leadership Positions:**

**Board Committees:**

- Executive Chairman of General Waters Inc.
- Nominating & Governance (Chair) Director, Value Added Holdings, Inc.
- Compensation
- Board of Trustees of Drew University

- Chairman of Celadon Global Inc.

**Prior Senior Leadership Positions:**

Director Since:

July 2003

- Director of TerreStar Corporation
- Chairman of the Board of Arbinet-thexchange, Inc.
- Chief Executive Officer and Director of Leap Wireless International
- Chief Executive Officer of Bell Atlantic-Washington, D.C.
- President of the Public Communications Group of Verizon Communications Inc.
- President and Chief Executive Officer of Bell Atlantic-New Jersey

**Mr. Freeman** has served as a director of CIT since July 2003. Mr. Freeman retired in February 2010 as Chairman of the Board of Arbinet-thexchange, Inc., in which capacity he had served since November 2007. Previously, Mr. Freeman served as President and Chief Executive Officer and Director of Arbinet-thexchange, Inc. from November 2007 until September 2008. Prior to joining Arbinet-thexchange, Mr. Freeman was elected to the board of Motient Corp., (predecessor to TerreStar Corporation), in February 2007, and Chairman of Motient/TerreStar in March 2007. Mr. Freeman also served as Chief Executive Officer and Director of Leap Wireless International, Inc. from May 2004 to February 2005 and as President of the Public Communications Group of Verizon Communications Inc. from 2000 to February 2004. Mr. Freeman served on the Board of Directors of Summit Bancorp from 1999 to 2002. Mr. Freeman served as President and Chief Executive Officer of Bell Atlantic-New Jersey from 1998 to 2000, President and Chief Executive Officer of Bell Atlantic-Washington, D.C. from 1994 to 1998, and in a number of other executive and management positions at Verizon since 1974. Mr. Freeman was a founder and co-owner of Synthesis Security LLC, a closely held telecommunications company. Mr. Freeman currently serves, or during the preceding five years served, on the Board of Directors of TerreStar Corporation, the Board of Trustees of Drew University, and as a director of Value Added Holdings, Inc., a privately held communications company, is the Executive Chairman and shareholder of General Waters Inc., a privately held beverage marketing and distribution company, and Chairman of Celadon Global Inc., a privately held mergers and acquisitions research firm.

**Qualifications:** Mr. Freeman provides the Board with extensive experience in managing organizations of various sizes and extensive experience in the telecommunications industry, a key market for CIT's lending products.



**R. Brad Oates      Other Public Directorships:**

Age: 63      • None

**Board Committees:      Senior Leadership Positions:**

• Compensation (Chair) • Chairman and Managing Partner of Stone Advisors, LP

• Risk Management      • Director of CIT Bank, N.A.

**Prior Senior Leadership Positions:**

• Chairman of the Board of Directors of NFC Global, LLC

Director Since:

• President and Chief Operating Officer of Bluebonnet Savings Bank FSB

December 2009

• Director of GearingStone, LLC

• Director of Neways Inc.

**Mr. Oates** has served as a director of CIT since December 2009. He currently serves as Chairman and Managing Partner of Stone Advisors, LP, a strategic advisory firm specializing in distressed asset situations, which is currently engaged as a contractor by the Federal Deposit Insurance Corporation ( FDIC ) to assist in resolving bank receiverships. Prior to joining Stone Advisors, Mr. Oates served from 1988 until 2003 as President and Chief Operating Officer of Bluebonnet Savings Bank FSB, responsible for bank operations and strategic planning in a bank turnaround situation, and as Executive Vice President of Stone Holdings, Inc., the holding company for Bluebonnet Savings Bank and a private investment company specializing in banking, information services, risk management and emerging technologies. Mr. Oates currently serves, or during the preceding five years served, as Chairman of the Board of Directors of Stone Advisory Holdings, LLC and NFC Global, LLC, a privately owned provider of due diligence, risk consulting and compliance services, and as a director of each of GearingStone, LLC, a special servicing company for distressed bank assets, and Neways Inc., a privately owned dietary supplement and personal care products company. Mr. Oates has been involved in the financial services industry for approximately 30 years, principally as a senior executive officer and director, with a particular expertise in bank risk management.

**Qualifications:** Mr. Oates provides the Board with in-depth experience in successfully managing the turnaround of troubled financial institutions and a strong background in operating regulated commercial banks and strategic planning. His extensive experience in interacting with the FDIC and other bank regulators during his career provides the Board with insight into bank regulatory matters and supervisory expectations and communications. He also has experience in information technology and risk management.

**Other Public Directorships:**

**Marianne Miller Parrs**

Age: 72

• Stanley Black & Decker, Inc.

• Signet Jewelers Limited

**Senior Leadership Positions:**

**Board Committees:** • Board Member, United Way of the Mid-South

• Audit (Chair) • Board Member, Rise Foundation

• Regulatory Compliance • Board Member, New Memphis Institute

• Director of CIT Bank, N.A.

Director Since:

**Prior Senior Leadership Positions:**

January 2003

• Executive Vice President and Chief Financial Officer of International Paper Company

**Ms. Parrs** has served as a director of CIT since January 2003. Ms. Parrs retired at the end of 2007 from International Paper Company where she had served as Executive Vice President and Chief Financial Officer since November 2005 and as interim Chief Financial Officer from May 2005 to November 2005. Ms. Parrs also has served as Executive Vice President with responsibility for Information Technology, Global Sourcing, Global Supply Chain Delivery, a major supply chain project, and Investor Relations since 1999. From 1995 to 1999, Ms. Parrs served as Senior Vice President and Chief Financial Officer of International Paper Company. Previously, she served in a number of other executive and management positions at International Paper Company since 1974, and was a security analyst at a number of firms prior to joining International Paper Company. Ms. Parrs currently serves, or during the preceding five years served, on the board of United Way of the Mid-South, on the Board of Rise Foundation in Memphis, Tennessee, on the board of the New Memphis Institute, Memphis, on the Board of Directors and the Audit and Compensation Committee of Stanley Black & Decker, Inc., and on the Board of Directors, the Audit Committee and the Social Responsibility Committee of Signet Jewelers Limited.

**Qualifications:** Ms. Parrs provides the Board with financial and operational expertise as a result of her significant experience in those roles in industry, particularly in her roles as Chief Financial Officer and as the senior executive in charge of information technology and global supply chain management at a major industrial company, which provide a valuable perspective on financial and accounting issues and on processes and technology. She also has extensive audit committee experience and is an Audit Committee Financial Expert, as defined by the SEC.

**Gerald Rosenfeld**

Age: 70

**Board Committees:**

• Risk Management  
(Chair)

Director Since:

January 2010

**Other Public Directorships:**

• None

**Senior Leadership Positions:**

• Strategic Advisor and Vice Chairman of U.S. Investment Banking of Lazard Ltd.

• Director of Continental Grain Company

• Board of Trustees, City College of New York Foundation

• Trustee, New York University School of Law

• Director of CIT Bank, N.A.

**Prior Senior Leadership Positions:**

• Deputy Chairman of Rothschild North America

• President of G Rosenfeld & Co LLC

• Head of Investment Banking and a member of the Management Committee of Lazard Freres

**Mr. Rosenfeld** has served as a director of CIT since January 2010. Mr. Rosenfeld re-joined Lazard Ltd. as Vice Chairman of United States investment banking effective March 1, 2011. He was Deputy Chairman of Rothschild North America from 2007 to 2011 and served as its Chief Executive Officer from 1999 to 2007. Prior to joining Rothschild, he was President of G Rosenfeld & Co LLC, an investment banking firm. Prior to founding G Rosenfeld & Co LLC in 1998, he was Head of Investment Banking and a member of the Management Committee of Lazard Freres & Co. LLC. Mr. Rosenfeld joined Lazard in 1992 after holding significant management positions at Bankers Trust Company, Salomon Inc. and its Salomon Brothers subsidiary and McKinsey & Company. Prior to joining McKinsey, Mr. Rosenfeld was a member of the faculty of the City College of New York, New York University and the University of Maryland. Mr. Rosenfeld currently serves, or during the preceding five years served, as a member of the Board of Directors of Continental Grain Company, on the Board of Overseers of New York University's Stern School of Business, where he also serves as an Adjunct Professor of Finance, as a Board member of the American Academy of Arts and Sciences, as a Board member of Catalist LLC, on the Board of Trustees of City College of New York Foundation, as a Trustee of the New York University School of Law, where he is also a Professor of Practice, and as a Director of the Charles H. Revson Foundation.

**Qualifications:** Mr. Rosenfeld provides the Board with extensive experience and expertise in risk management and sophisticated financial matters gained by both practical experience in a regulated environment and through research and teaching finance-related courses at several prominent universities. He also has management experience as a senior executive in commercial banking, investment banking and capital markets.

**Vice Admiral John R. Ryan, USN (Ret.)**

Age: 71

**Board Committees:**

- Nominating & Governance
- Regulatory Compliance

Director Since:

July 2003

Lead Director Since:

May 2008

**Other Public Directorships:**

- Barnes & Noble Education, Inc.

**Senior Leadership Positions:**

- President and Chief Executive Officer of the Center for Creative Leadership

**Prior Senior Leadership Positions:**

- Director of Cablevision Systems Corporation
- Chancellor of the State University of New York
- President of the State University of New York Maritime College
- Superintendent of the U.S. Naval Academy
- Commander of the Fleet Air Mediterranean, U.S. Navy
- Commander of the Patrol Wings for the U.S. Pacific Fleet, U.S. Navy
- Director of Logistics for the U.S. Pacific Command, U.S. Navy

**Vice Admiral Ryan** has served as a director of CIT since July 2003 and was appointed lead director ( **Lead Director** ) by the Board in May 2008. Mr. Ryan has been President and Chief Executive Officer of the Center for Creative Leadership in Greensboro, North Carolina since May 2007. Previously, Mr. Ryan served as Chancellor of the State University of New York from June 2005 to June 2007. Mr. Ryan also served as President of the State University of New York Maritime College from June 2002 until June 2005 while also serving as the Interim President of the State University of New York at Albany from February 2004 until February 2005. From 1998 to 2002, Mr. Ryan was Superintendent of the U.S. Naval Academy, Annapolis, Maryland. Mr. Ryan served in the U.S. Navy from 1967 to July 2002, including as Commander of the Fleet Air Mediterranean in Naples, Italy from 1995 to 1998, Commander of the Patrol Wings for the U.S. Pacific Fleet in Pearl Harbor from 1993 to 1995, and Director of Logistics for the U.S. Pacific Command in Aiea, Hawaii from 1991 to 1993. Mr. Ryan currently serves as Lead Director and member of the Compensation Committee and Chair of the Corporate Governance & Nominating Committee of Barnes & Noble Education, Inc., and has previously served as a Director and member of the Audit Committee of Cablevision Systems Corporation.

**Qualifications:** Vice Admiral Ryan provides the Board with experienced leadership and an expertise in managing large complex organizations, primarily in academia and the military. In addition, Mr. Ryan provides the Board with extensive experience in strategic planning, logistics, talent development and succession planning. His tenure as a director, and as Lead Director, of CIT enables him to provide the Board with valuable experience in overseeing CIT's business and providing leadership to the Board.

**Sheila A. Stamps**

Age: 59

**Board Committees:**

- Regulatory Compliance (Chair)
- Risk Management

Director Since:

February 2014

**Other Public Directorships:**

- None

**Senior Leadership Positions:**

- Director of CIT Bank, N.A.
- Board of Directors, IES Abroad
- Commissioner, New York State Insurance Fund
- Faculty Member, National Association of Corporate Directors Board Advisory Services

**Prior Senior Leadership Positions:**

- Executive Vice President, Dreambuilder Investments, LLC
- Director of Pension Investments and Cash Management at the New York State Common Retirement Fund
- Managing Director, Bank of America Corporation (formerly FleetBoston Financial Corporation)
- Managing Director & Head of European Asset-Backed Securitization, Bank One Corporation (now, JPMorgan Chase & Co.)

**Ms. Stamps** currently serves as a Commissioner and Audit Committee Chair on the board of the New York State Insurance Fund, the largest worker's compensation insurance provider in the State of New York, and on the Board of Directors of IES Abroad. She previously served as Executive Vice President at Dreambuilder Investments, LLC, a private mortgage investment company, from 2011 to 2012. She served from 2008 to 2011 as Director of Pension Investments and Cash Management at the New York State Common Retirement Fund, and from 2004 to 2005 as a Fellow at the Weatherhead Center for International Affairs at Harvard University. Prior to this, Ms. Stamps served as a Managing Director and Head of Relationship Management, Financial Institutions at Bank of America (formerly FleetBoston Financial Corporation). From 1982 to 2003, she held a number of executive positions with Bank One Corporation (now, JPMorgan Chase & Co.), including Managing Director and Head of European Asset-Backed Securitization and Managing Director and Senior Originator of Asset-Backed Securitization. She holds an MBA from the University of Chicago.

**Qualifications:** Ms. Stamps provides the Board with in-depth knowledge of middle market commercial banking and capital markets in both the US and European markets. She is a senior financial executive with strategy, risk and business development expertise, and also is an experienced banker to the financial services industry. Her experience as a Director at the New York State Common Retirement Fund also enables her to provide the Board with an investor relations perspective and experience serving as a fiduciary in a complex financial environment.

**Laura S. Unger**

Age: 56

**Board Committees:**

- Audit
- Nominating & Governance

Director Since:

January 2010

**Other Public Directorships:**

- CA, Inc.
- Navient Corporation

**Senior Leadership Positions:**

- Director of CIT Bank, N.A.

**Prior Senior Leadership Positions:**

- Director of Ambac Financial Group Inc.
- Acting Chairperson, Securities and Exchange Commission
- Commissioner, Securities and Exchange Commission
- Counsel to the United States Senate Committee on Banking, Housing and Urban Affairs
- Director of MBNA Corporation
- Board Member, Children's National Medical Center Foundation

**Ms. Unger** has served as a director of CIT since January 2010. She served as Commissioner of the SEC from November 1997 to February 2002, including Acting Chairperson of the SEC from February to August 2001. Subsequently, she served as a Regulatory Expert for CNBC. Before being appointed to the SEC, Ms. Unger served as Counsel to the United States Senate Committee on Banking, Housing and Urban Affairs. Prior to working on Capitol Hill, she was an attorney with the Enforcement Division of the SEC. Ms. Unger currently serves, or during the preceding five years served, as a director of CA, Inc., Navient Corporation, certain privately held affiliates of Nomura Holding America Inc., Ambac Financial Group, Inc., the IQ Funds Complex, MBNA Corp. and Children's National Medical Center. She also has acted as Special Adviser to Promontory Financial Group and as an Independent Consultant to JP Morgan Chase for the Global Analyst Conflict Settlement. Ms. Unger is also a director of CIT Bank, N.A.

**Qualifications:** Ms. Unger provides the Board with insight about regulatory policy as well as operating in a regulatory environment, based on her experience as both a former Commissioner and a former enforcement attorney with the SEC. In addition, Ms. Unger provides the Board with insight into the political and legislative process, based on her experience as a staff counsel in the U.S. Senate. She also has significant corporate governance expertise.

## Retiring CIT Directors

At the time of our Annual Meeting, Peter J. Tobin, age 72, who has served as a director since July 2002, and as CIT's Interim Chief Executive Officer from January 19, 2010 through February 7, 2010, is retiring from the Board and will not stand for re-election. We thank Mr. Tobin for his dedicated leadership and service to CIT.

## Director Qualifications and Experience

The table below includes the qualifications and experience of each director that assisted the Board in determining the directors are qualified to serve on the Board and that the Board is composed of directors with diverse backgrounds and experiences.

Summary of Director Qualifications and Experience	<i>Ellen Alemany</i>	<i>Michael Brosnan</i>	<i>Michael Carpenter</i>	<i>Dorene Dominguez</i>	<i>Alan Frank</i>	<i>William Freeman</i>	<i>R. Brad Oates</i>	<i>Marianne Parrs</i>	<i>Gerald Rosenfeld</i>	<i>John Ryan</i>	<i>Sheila Stamps</i>	<i>Laura Unger</i>
<b>Leadership / Business Management</b>	√	√	√	√	√	√	√	√	√	√	√	√
<b>Accounting / Finance &amp; Capital Allocation</b>	√	√	√	√	√		√	√	√		√	
<b>Banking Expertise</b>	√	√	√		√		√				√	
<b>Corporate Governance</b>	√		√	√	√	√	√	√	√	√	√	√
<b>Government / Regulatory</b>	√	√	√							√	√	√
<b>Investor / Shareholder Perspective</b>			√				√		√		√	
<b>Marketing</b>			√			√					√	
<b>Regional Expertise in Relevant Geographic Markets</b>		√	√	√	√				√			
<b>Risk Management</b>	√	√	√	√	√		√	√	√		√	
<b>Technology Services</b>						√	√	√				

## CORPORATE GOVERNANCE

CIT is committed to the values of effective corporate governance and high ethical standards. Our Board believes that these values promote long-term performance and reevaluates our governance policies on an ongoing basis to ensure they sufficiently meet CIT's needs and our stockholders' interests. Listed below are some of the significant corporate governance practices and policies we have adopted.

Ö **Majority Voting in Director Elections.** If an election is uncontested, each of our director nominees has agreed to tender his or her irrevocable contingent resignation if he or she is not elected by a majority of the votes cast by stockholders. Our Governance Committee will promptly consider the director's resignation and recommend to our Board whether to accept or reject the resignation. Our Board will act on the Governance Committee's recommendation within 90 days of the applicable stockholder meeting and will then publicly disclose its decision.

Ö **Lead Director.** Our Corporate Governance Guidelines establish the role of an independent lead director who is elected annually by a majority vote of the independent directors. More information about the role of the lead director and our Board structure may be found in this Proxy Statement under the heading **Board Leadership Structure**.

Ö **Absence of a Stockholder Rights Plan.** We do not have a stockholder rights plan and are not currently considering adopting one.

Ö **Stock Ownership Requirements.** Both our directors and senior executive officers are required, within a specified period of time of becoming a director or senior executive officer to own a minimum amount of CIT's common stock and to retain such ownership at all times thereafter while they remain with CIT.

Ö **Political Contributions.** CIT believes that an important part of responsible corporate citizenship is participation in the political and public policy process. However, even where legally permitted, CIT's policy is not to use any company funds or property for any candidate campaign funds including candidate campaign committees, political parties, caucuses, or independent expenditure committees (superPACs). CIT also maintains a non-partisan political action committee for our employees to participate in the political process, which is funded entirely through voluntary contributions from eligible CIT employees, and uses those funds to support candidates, political parties, and other political action committees that are supportive of CIT's public policy goals.

Ö **Related Person Transactions Policy.** Our Governance Committee is responsible for approving or ratifying transactions involving CIT and related persons and determining if the transaction is in, or not inconsistent with, the best interests of CIT and our stockholders. More information about our Related Person Transactions Policy may be found below under the heading

**Related Person Transactions Policy**.

Ö **Executive Sessions.** Our Board meets regularly in executive sessions without the presence of management, including our Chairwoman. These sessions are led by our Lead Director.

Ö **Limitations on Participation on Other Boards.** To ensure that our directors have sufficient time to devote proper attention to their responsibilities as directors of CIT, unless otherwise approved by the Governance Committee, employed directors are limited to service on one board of another publicly traded company, while other directors may not serve on the boards of more than four other public companies.

Ö **Hedging, Margin Accounts and Pledged Securities.** CIT's directors and employees are prohibited from entering into financial transactions to hedge their ownership interest in CIT's securities, holding CIT's securities in a margin account, or otherwise pledging CIT's securities as collateral for a loan.

Ö **Board and Board Committee Evaluations.** Each year, each director completes a questionnaire reflecting his or her assessment of the effectiveness of the Board and the committees on which he or she serves. The General Counsel confidentially summarizes the directors' responses for review by the Governance Committee, the Board and Committees. The Board and Committees review the summary in executive session and considers what



actions, if any, to take as a result.

Ö **Proxy Access.** CIT believes that it is appropriate for certain stockholders to be able to use our proxy statement and proxy card to nominate one or more director candidates. In 2016, we amended our By-Laws to generally allow stockholders owning 3% or more of the Company's total voting stock for three years to use the Company's proxy statement to nominate the greater of two or 20% of the director positions subject to vote at an annual meeting.

Additional information is provided below regarding these and certain other key corporate governance policies which we believe enable us to manage our business in accordance with the highest standards of business practices and in the best interests of our stockholders. Investors can find a copy of CIT's Corporate Governance Guidelines and other governance policies on our website at [https://www.cit.com/about\\_us/corporate\\_governance/](https://www.cit.com/about_us/corporate_governance/). Information contained on the CIT website does not constitute part of this Proxy Statement.

### Director Independence

Our Corporate Governance Guidelines require that a substantial majority of the Board be composed of directors who meet the independence criteria established by the NYSE. For a director to be considered independent, the Board must affirmatively determine that neither the director nor any of such director's immediate family has a material relationship with CIT (either directly, or as a partner, stockholder, or officer of an organization that has a relationship with CIT). In making its determination, the Board considers all relevant facts and circumstances, both with respect to the director and with respect to any persons or organizations with which the director has an affiliation, including immediate family members. The Board also considers the specific independence criteria for directors as defined by the NYSE.

In furtherance of our Board's commitment to maintain the independence of our independent directors, the Board implemented a charitable contributions policy. The policy requires that if any charitable contribution proposed to be made by CIT to an organization in which a director is affiliated exceeds the lesser of (i) \$25,000 or (ii) 2% of the charitable organization's most recently reported annual consolidated gross revenues, such contribution is subject to the approval of the Governance Committee. In determining whether to approve any such contribution, the Governance Committee considers whether the donation would impair the director's independence.

Based on the foregoing considerations, the Board has determined that, except for Ms. Alemany, our Chairwoman and CEO, all of CIT's directors are independent and each of the Board Committees are composed solely of independent directors. In making this determination, the Board considered the transactions described below under the heading "Related Person Transactions Policy".

### Related Person Transactions Policy

The Board has adopted a "Related Person Transactions Policy" for the review and approval of "related person transactions," which is defined under such policy as any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which CIT was or is to be a participant, the amount involved exceeds or is expected to exceed \$120,000 in a single calendar year, and an executive officer, director, director nominee, or a 5% beneficial owner of any class of CIT's voting securities (or any of their respective immediate family members) had or will have a direct or indirect material interest, other than the following:

interests arising solely from the related person's position as a director or limited partner, or from the direct or indirect ownership by the related person, and all other related persons, in the aggregate of less than a 10% equity interest in another corporation or organization that is a participant in the transaction;

amounts due from related persons to CIT for purchases of goods and services subject to usual trade terms, for ordinary business travel and expense payments, and for other indebtedness transactions in the ordinary course of business;

interests arising solely from the ownership of a class of CIT's equity securities, if all holders of that class of equity securities receive the same benefit on a *pro rata* basis;

transactions where price is determined by competitive bid, or where the service is rendered as a common carrier or public utility at rates fixed pursuant to law;

transactions that involve compensation to a director, or compensation to executive officers, approved by the Board;

interests arising solely from the related person's position as an executive officer or director of another entity that is a participant in the transaction, where (a) the related person and his or her immediate family members own in the aggregate less than a 5% equity interest in such entity, (b) the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction, and (c) the amount involved in the transaction equals less than 2% of the annual gross revenues of each of CIT and the other entity that is a participant in the transaction.

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Under this written policy, any proposed related person transaction will be considered at the next meeting of the Governance Committee, but if it is not desirable for CIT to wait until the next meeting, the transaction will be submitted to the Chairperson of the Governance Committee for approval, subject to reporting any such approval at the next Governance Committee meeting. In either case, the benefits to CIT, the availability of other sources of comparable products or services, the terms of the transaction, the terms available to unrelated third parties, and whether the transaction was undertaken in the ordinary course of business, will be considered. The Governance Committee will approve only those related person transactions that are in, or are not inconsistent with, the best interests of CIT and its stockholders, as the Governance Committee determines in good faith. In certain circumstances, if the Chief

- 22 -

Executive Officer, Chief Financial Officer or General Counsel of CIT becomes aware of a related person transaction that has not been previously approved or ratified under the policy, the Governance Committee will determine if rescission of the transaction is appropriate, and will request that the Chief Financial Officer evaluate CIT's controls and procedures to ascertain the reason the transaction was not submitted to the Governance Committee or its Chairperson for prior approval.

We have in the past and may in the future enter into certain transactions with affiliates, other than directors and executive officers. Such transactions have been, and it is anticipated that such transactions will continue to be, entered into on an arm's length basis at a fair market value for the transaction.

There were no transactions reviewed by the Governance Committee in 2016 under the Related Person Transactions Policy.

### Appointment of Directors

Ten of CIT's twelve nominees for director are standing for re-election. Mr. Brosnan was appointed as a director in November 2016 and Ms. Dominguez was appointed as a director in February 2017. Both Mr. Brosnan and Ms. Dominguez are standing for election as a director for the first time at the 2017 Annual Meeting. For more information, see [Directors](#) [Nominees](#) .

### Diversity of Directors

Under our Corporate Governance Guidelines, the Board has adopted a diversity policy and seeks diversity in its members with respect to background, skills and expertise, industry knowledge, and experience. Our Corporate Governance Guidelines set forth general criteria for nomination and re-nomination to the Board, including:

judgment, integrity, commitment, and candor;

leadership and decision-making experience in complex organizations, including corporations, banking and financial institutions, and government, education, and military institutions;

expertise, knowledge, and skills useful for overseeing our business; and

diversity of background, perspectives, skills and experience.

When considering directors for re-nomination, the Governance Committee also considers attendance, preparedness, participation and candor.

The Governance Committee reviews with the Board the skills, characteristics and diversity of background appropriate for CIT's directors. When seeking to fill Board vacancies, the Governance Committee evaluates the skills and characteristics of the existing directors, including the diversity of background, perspectives, and experience of the directors, to identify any gaps that should be filled. The Governance Committee then utilizes that information to guide its search for new director nominees.

### Majority Voting for Directors

Under our By-Laws and Corporate Governance Guidelines, if the nominees are all nominated by CIT, a nominee for director is elected if the votes cast for such nominee's election exceed the votes cast against such nominee's election; however, directors are elected by a plurality of the votes cast at any meeting of stockholders for which (i) the Corporate Secretary of CIT receives a notice that a stockholder has nominated a person for election to the Board in compliance with the advance notice requirements for stockholder nominees set forth in our By-Laws, and (ii) such nomination has not been withdrawn by such stockholder on or before the tenth day before CIT first mails its notice of meeting for such meeting to the stockholders. If directors are to be elected by a plurality of the votes cast, as permitted under Delaware law and our By-Laws, stockholders shall not be permitted to vote against a nominee. Votes cast shall not include abstentions with respect to the election of directors. Under our Corporate Governance Guidelines, if a majority vote is required, any nominee who fails to receive the required vote for his or her election or re-election must promptly tender his or her resignation to the Chairwoman of the Board. If an incumbent director fails to receive the required vote for re-election, the Governance Committee will promptly consider the resignation submitted by such director and will recommend to the full Board whether to accept such resignation. The Governance Committee will consider all factors that it deems relevant in making its recommendation, including any stated reasons why stockholders voted against the director, the length of service and qualifications of the director, the director's contributions to CIT and CIT's Corporate Governance Guidelines.

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The Board will act on the recommendation of the Governance Committee no later than 90 days following the date of the meeting of stockholders at which the election occurred. The Board will review the factors considered by the Governance Committee and such other information and factors as the Board deems relevant. We will promptly disclose the Board's decision whether to accept the resignation as tendered, and provide a full explanation of the process by which the decision was reached and, if applicable, the reasons the Board rejected the tendered resignation, in a Current Report on Form 8-K filed with the SEC.

If one or more directors' resignations are accepted by the Board, the Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

- 23 -

## Board Leadership Structure

Until March 31, 2016, the positions of Chief Executive Officer and Chairman were held by one person, John A. Thain. Effective April 1, 2016, Ellen R. Alemany assumed the role of Chief Executive Officer and Mr. Thain continued to serve as Chairman until the conclusion of the 2016 annual meeting of stockholders held on May 10, 2016, at which time Ms. Alemany assumed the role of Chairwoman. Therefore, as of and since May 10, 2016, the positions of Chief Executive Officer and Chairwoman were held by one person, Ellen R. Alemany. In deciding to continue CIT's practice of combining the Chief Executive Officer and Chairwoman positions, the primary factors considered by the Board were the importance of a unified strategic and operating focus, the benefits of clarity in the management structure of the organization, and the need for consistent communications to stockholders, customers, regulators and other constituencies. This structure also best assures that Ms. Alemany will be able to use her in-depth knowledge and perspective gained from running CIT to effectively and efficiently guide our Board. By being closely connected with both CIT's senior level managers and the Board, Ms. Alemany is better able to appreciate and balance the perspectives of both groups.

To establish a liaison between the non-management directors and the Chairwoman and Chief Executive Officer and foster effective communication between them, the independent directors on CIT's Board also appoint a Lead Director who is independent of management. This position is currently held by Vice Admiral John R. Ryan, USN (Ret.). The Board has structured the role of our independent Lead Director to strike an appropriate balance with the combined Chairwoman and Chief Executive Officer role and to fulfill the important requirements of independent leadership on the Board. As Lead Director, Mr. Ryan:

presides over all meetings of the Board at which the Chairwoman is not present;

presides at executive sessions of the Board;

develops and approves meeting agendas for the Board to ensure that management is addressing all matters of concern or interest to the Board and that sufficient time for discussion is allocated for each matter; and

serves as a liaison between the Chairwoman and the independent directors.

## The Board's Role in Risk Oversight

The Board believes that evaluating how CIT's executive team manages the various risks confronting CIT is one of the most important areas of its oversight responsibilities and that effectively balancing risk and return is critical to the long-term success of CIT. CIT has a comprehensive enterprise risk management program that governs the policies and procedures used by management to monitor, evaluate and manage the risks we assume in conducting our business activities. Our Board's oversight of this risk management process is conducted primarily by our Audit Committee and our Risk Management Committee; however, each of the other Board Committees also considers risk within its area of responsibility.

### *Audit Committee*

The duties of the Audit Committee include reviewing and discussing with the appropriate members of management CIT's major financial risk exposures, including interest rate, liquidity, foreign currency exposure, cash investment, funding, swap-counterparty, and asset-liability management risks, as well as overseeing CIT's internal controls over financial reporting. In addition, the Audit Committee is responsible for the oversight of, and receives regular reports regarding, CIT's internal audit and compliance functions and risks related to litigation, compliance and legal matters as well as enterprise, operations and market risks. The Audit Committee and Risk Management Committee meet together quarterly in joint sessions to ensure appropriate communications regarding areas of overlap in overseeing risk.

### *Risk Management Committee*

The duties of the Risk Management Committee include overseeing CIT's risk management functions and processes, including (a) reviewing and recommending to the Board an annual risk appetite statement, and reviewing management's risk appetite limits report to confirm that CIT is operating within its risk appetite statement, (b) ensuring that management has established processes and an enterprise risk management framework and governance structures designed to identify, bring to the Board's and/or the Risk Management Committee's attention, and appropriately manage, monitor, control and report exposures to the major risks affecting CIT, including risk management deficiencies and the timely implementation of corrective actions to address such deficiencies, (c) monitoring the performance, quality and trends associated with CIT's credit portfolio, (d) assessing, jointly with the Audit Committee, the adequacy of CIT's allowance for loan losses and management's methodology for determining such allowance, (e) receiving, jointly with the Compensation Committee, management's assessment of the

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effectiveness of the design and operation of CIT's incentive compensation programs, and (f) overseeing CIT's stress testing process. The Risk Management Committee also oversees CIT's loan review function, information security processes, business continuity planning, and the use of insurance to manage certain of CIT's risks.

- 24 -

### ***Compensation Committee***

The duties of the Compensation Committee include regularly assessing risks related to our compensation programs, including our executive compensation practices. Management provides information on a regular basis to the Compensation Committee regarding compensation elements and features that could mitigate or encourage excessive risk-taking. In assessing compensation related risks, the Compensation Committee, together with the Risk Management Committee, considers the balance between annual and longer-term performance incentives, performance measures that motivate sustained performance while prudently managing risk, stock ownership guidelines that align executives' interests with those of our stockholders, and our clawback policy to recoup compensation.

### ***Nominating & Governance Committee***

The duties of the Governance Committee include reviewing and minimizing risks by ensuring appropriate policies and practices exist and are implemented to avoid or manage conflicts of interest by and among CIT, its executive officers, directors, director nominees and stockholders, overseeing an effective succession planning process, overseeing CIT's Political Contributions Policy and lobbying practices, and adopting prudent governance policies. For more information, see Corporate Governance above for a list of significant corporate governance practices and policies.

### ***Regulatory Compliance Committee***

The duties of the Regulatory Compliance Committee include overseeing CIT's relationships with its principal regulators and monitoring its compliance with and resolution of any significant issues or matters identified by any banking regulatory authority.

### ***Succession Planning***

The Board is actively engaged and involved in talent management. The Board reviews the Company's human resources strategy in support of its business strategy at least annually. This process includes a detailed discussion of the Company's leadership bench strength and succession plans with a focus on key positions at the senior officer level. In addition, the Board Committees regularly discuss the talent depth for specific critical roles. High potential leaders are given exposure and visibility to Board members through formal presentations and informal events. For more information on CIT's Board Committees, see Corporate Governance Board Committees below.

### ***Director and Senior Executive Officer Stock Ownership Policy***

CIT believes that significant stock ownership by its directors and senior executive officers further aligns their and CIT stockholders' interests. Accordingly, under our Corporate Governance Guidelines, within a specified period of time, directors are required to own shares of CIT's common stock at least equal in value to five times the amount of the directors' annual retainer fee. Value is generally calculated as the number of shares owned multiplied by the greater of (i) the current stock price or (ii) the 3-year average stock price of CIT's common stock. This minimum stock ownership must be maintained for as long as both (a) such director remains on the Board and (b) CIT's common stock is publicly traded on a national securities exchange. Senior executive officers of CIT are also required to own a minimum amount of CIT shares as further described in the Compensation Discussion and Analysis portion of this Proxy Statement.

### ***Board Committees***

During 2016, our Board maintained an Audit Committee, a Compensation Committee, a Governance Committee, a Risk Management Committee and a Regulatory Compliance Committee as standing committees. Each of the Audit Committee, the Compensation Committee and the Risk Management Committees are currently comprised of four directors. The Governance Committee is currently comprised of three directors and the Regulatory Compliance Committee is currently comprised of six directors. Each director serving on the Audit Committee, the Compensation Committee, the Governance Committee, the Risk Management Committee, and the Regulatory Compliance Committee is independent as defined by the NYSE and applicable law. Each Board Committee has a separate chair and operates under a written charter. The current version of the written charter of each standing Board Committee is available on our website at [http://cit.com/about\\_us/corporate\\_governance/board\\_of\\_directors/](http://cit.com/about_us/corporate_governance/board_of_directors/).



*Board Committee Assignments*

<b>Director</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating &amp; Governance Committee</b>	<b>Risk Management Committee</b>	<b>Regulatory Compliance Committee</b>
Ellen R. Alemany	n/a	n/a	n/a	n/a	n/a
Michael L. Brosnan (1)	√				√
Michael A. Carpenter		√		√	
Dorene C. Dominguez (2)					√
Alan Frank	√				
William M. Freeman		√	CHAIR		
R. Brad Oates		CHAIR		√	
Marianne M. Parrs	CHAIR				√
Gerald Rosenfeld				CHAIR	
Vice Admiral John R. Ryan, USN (Ret.)			√		√
Sheila A. Stamps				√	CHAIR
Peter J. Tobin (3)		√			√
Laura S. Unger	√		√		
<b>2016 Meetings</b>	<b>10</b>	<b>11</b>	<b>7</b>	<b>10</b>	<b>8</b>

(1) Became a director in November 2016.

(2) Became a director in February 2017.

(3) Until May 9, 2017.

*Board Committee Duties, Generally***Each Board Committee:**

conducts its duties consistent with its written charter, which it reviews and updates (if appropriate) at least annually;

conducts a self-evaluation annually;

cooperates and coordinates with the other Board Committees on areas where the substance of their activities overlap; and

regularly reports to the Board.

*Audit Committee***The Audit Committee's duties include:**

monitoring the quality and integrity of our financial reporting process, financial statements and systems of internal controls regarding finance and accounting;

monitoring compliance with our Code of Business Conduct, other compliance policies, and legal and regulatory requirements;

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reviewing the budget, plan and activities of the Internal Audit Department and the appointment, performance and replacement of the Chief Auditor;

reviewing the budget, plan and activities of the Compliance Department and the appointment, performance, and replacement of the Chief Compliance Officer;

retaining, determining the compensation of, and monitoring the qualifications, independence and performance of the independent auditors, including approving in advance all audit and non-audit engagements;

overseeing the management of our financial, litigation and compliance risks; and

approving the Audit Committee Report for inclusion in our annual proxy statement.

- 26 -

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The Board has determined that Ms. Parrs meets the standard of Audit Committee Financial Expert, as defined by the rules of the SEC, and that each member of the Audit Committee is independent from management and financially literate, as defined by the NYSE listing standards.

### *Compensation Committee*

The Compensation Committee evaluates, oversees and approves the compensation and benefits for our executive officers and other employees, and is responsible for the following:

overseeing, reviewing and approving the overall goals and purposes of CIT's incentive compensation programs for all employees, to ensure that such programs appropriately balance risk and financial results and do not encourage excessive risk taking;

reviewing and recommending to the Board for approval the corporate goals and objectives relevant to CEO compensation;

recommending to the Board the compensation and benefits for the CEO considering CIT's and our CEO's performance relative to financial, strategic and other goals and objectives approved by the Board and the value of compensation granted to the CEO at comparable or peer companies;

approving the compensation for our executive officers and reviewing the compensation for all employees (other than our executive officers) whose annual compensation exceeds \$1 million;

meeting at least annually to discuss and evaluate employee compensation plans with CIT's Chief Risk Officer in light of an assessment of any risk posed to CIT, to ensure that such plans do not encourage employees to take unnecessary and excessive risks and to ensure that such plans do not encourage the manipulation of CIT's reported earnings to enhance the compensation of any of CIT's employees;

receiving and reviewing, jointly with the Risk Management Committee, management's assessment of the effectiveness of the design and operation of CIT's incentive compensation programs in providing risk-taking incentives that are consistent with the safety and soundness of CIT;

maintaining compensation practices that are consistent with applicable market standards and compliant with applicable regulatory requirements;

approving significant amendments to the retirement, severance and other compensation and benefit plans in which our executive officers participate;

discussing, reviewing with management and approving the disclosure regarding compensation and benefit matters and the Compensation Discussion and Analysis in CIT's annual proxy statement; and

approving the Compensation Committee Report for inclusion in our annual proxy statement.

The Compensation Committee may form and delegate authority to subcommittees comprised of one or more members of the Compensation Committee. It may also delegate to CIT's employee benefits committee the responsibility to review and recommend material revisions to retirement plans, severance plans, plans permitting deferral of compensation, or any other benefit plan in which the executive officers are participants. The Compensation Committee also has the authority to engage such consultants and independent counsel as it determines is appropriate to assist it in the performance of its responsibilities.

In 2016, the Compensation Committee engaged the independent, external consulting firm Pay Governance LLC ( **Pay Governance** ) to advise the Compensation Committee on all matters relating to the compensation of our executive officers. The Compensation Committee directly retained Pay Governance independently from CIT management, and CIT does not utilize Pay Governance for any other purpose. The Compensation Committee has assessed the independence of Pay Governance pursuant to SEC rules and concluded that Pay Governance's work for the Compensation Committee does not raise a conflict of interest.

### *Nominating & Governance Committee*

The Governance Committee oversees CIT's governance policies and processes for nominating directors, which duties include:

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identifying and recommending qualified candidates to fill positions on the Board and its Board Committees;

reviewing and recommending to the Board the compensation and benefits for directors (other than directors who are also employees of CIT);

overseeing the evaluation of the structure, duties, size, membership and functions of the Board and its Board Committees;

overseeing the self-evaluation of the Board and its Board Committees;

- 27 -

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overseeing CIT's Corporate Governance Guidelines and related policies;

overseeing the succession planning process for CIT's Chief Executive Officer, executive officers and senior managers; and

reviewing disclosures in CIT's annual proxy statement regarding the Governance Committee and the director nominating process, as well as any stockholder proposals and statements in opposition.

The Governance Committee considers and evaluates all director candidates recommended by our stockholders in accordance with the procedures set forth in our Corporate Governance Guidelines. Stockholders may propose qualified nominees for consideration by the Governance Committee by submitting the names and supporting information in writing to: Office of the General Counsel, CIT Group Inc., One CIT Drive, Livingston, New Jersey 07039. Such supporting information shall include (1) a statement containing the notarized signature of the nominee whereby such nominee consents to being nominated to serve as a director of CIT and to serving as a director if elected by the stockholders; (2) information in support of the nominee's qualifications to serve on the Board and the nominee's independence from management; (3) the name or names of the stockholders who are submitting such proposal, the number of shares of CIT common stock held by each such stockholder, and the length of time such shares have been beneficially owned by such stockholders; and (4) any other information that the stockholder believes to be pertinent. To be considered for nomination, any such nominees shall be proposed as described above no later than December 15th of the calendar year immediately preceding the applicable annual meeting of stockholders. Our Corporate Governance Guidelines provide that no person shall qualify for service as a director if he or she is a party to any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity other than CIT, or has received any such compensation or other payment from any person or entity other than CIT, in each case in connection with candidacy or service as a director of CIT.

### *Regulatory Compliance Committee*

The Regulatory Compliance Committee oversees CIT's compliance with all significant bank regulatory matters, including:

overseeing and monitoring CIT's significant bank regulatory matters, including CIT's progress in addressing the action items noted by banking regulators in examination and similar reports, and in annual and periodic assessment reports; and

overseeing and monitoring other regulatory oversight matters not specifically handled by other Board committees or the Board itself.

### *Risk Management Committee*

The Risk Management Committee oversees CIT's risk management functions and processes, which address many of the major risks inherent to CIT's business, including credit risk, market risk, reputation risk, business continuity and operational risk, and is responsible for the following:

overseeing our enterprise risk management functions and processes, including reviewing and recommending to the Board an annual risk appetite statement and reviewing management's risk appetite limits report to confirm that CIT is operating within its risk appetite statement, overseeing CIT's risk monitoring programs and processes, monitoring the performance and quality of CIT's credit portfolio, reviewing and assessing CIT's risk grading methodology, confirming that sufficient and appropriate resources are dedicated to risk management, overseeing CIT's stress testing process, and managing, monitoring, controlling and reporting exposures to the major risks affecting CIT, including risk management deficiencies and the timely implementation of corrective actions to address such deficiencies;

reviewing the plan, budget, activities, organizational structure, staffing, scope of authority and qualifications of the loan review organization responsible for auditing compliance with CIT's credit policies and practices;

reviewing and ensuring the adequacy of CIT's business continuity and disaster recovery plans, training programs, and threat analysis;

reviewing and ensuring the adequacy of CIT's information security policies and technology risk management program; and

reviewing CIT's corporate insurance program at least annually.

### *Stockholder Communications with the Board*

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Any person who has a concern about CIT's governance, corporate conduct, business ethics or financial practices may communicate that concern to the non-management directors. In addition, CIT's stockholders may communicate with the Board regarding any topic of current relevance to CIT's business. Any of the foregoing communications should be submitted in writing to the Lead Director, the Audit Committee, or the non-management directors as a group by writing to them, c/o CIT's General Counsel and Secretary, One CIT Drive, Livingston, New Jersey 07039, or by email to [directors@cit.com](mailto:directors@cit.com). Concerns and stockholder communications may also be directed to the Board by calling the CIT Hotline in the U.S. or Canada at 1-877-530-5287. To place calls from other countries in

- 28 -

which CIT has operations, individuals may call the toll free numbers listed in our Code of Business Conduct, which is available on our website at <https://www.cit.com/about-us/corporate-governance/>. These concerns can be reported confidentially or anonymously. Concerns and issues communicated to the Board will be addressed through CIT's regular procedures:

depending on the nature of the concern or issue, your communication may be referred to CIT's Chief Auditor, General Counsel, Chief Human Resources Officer or other appropriate executive for processing, investigation, and follow-up action;

concerns relating to CIT's accounting, internal accounting controls or auditing matters will be referred to the Audit Committee; and

other concerns may be referred to either CIT's Lead Director or to one or more non-management members or Board Committee.

CIT's General Counsel reserves the right not to forward to Board members any abusive, threatening or otherwise inappropriate materials or any other communications intended solely to market services or products to directors or CIT.

### **Compensation Committee Interlocks, Insider Participation and Banking Interlocks**

There are no interlocking relationships between any member of our Compensation Committee and any of our executive officers that would require disclosure under SEC rules. No member of our Compensation Committee is a current or former officer or employee of CIT. No member of our Board and none of our senior executive officers (as defined in 12 C.F.R. §303.101) is a management official of an unaffiliated depository organization.

### **Legal Proceedings**

There are no known legal proceedings or events in the past ten years that are material to an evaluation of any director, executive officer, or person nominated to become a director or executive officer of CIT, other than CIT's bankruptcy in 2009.

### **CIT Political Contributions Policy**

CIT believes that an important part of responsible corporate citizenship is participation in the political and public policy process. The focus of these efforts is on issues that affect the company, our operations, employees, customers, shareholders and local communities. Our business is subject to extensive laws and regulations at the federal, state and local levels, and changes to these laws can significantly affect how we serve our customers and the costs we incur. It is important for CIT to engage in the political dialogue to advance the interests of our company.

Even where legally permitted, CIT's policy is to not use any company funds or property for any candidate campaign funds, including candidate campaign committees, political parties, caucuses, or independent expenditure committees (superPACs).

CIT may use contract lobbyists and trade associations to monitor and provide comments on proposed legislation and regulations that may affect how our customers can be served. The General Counsel must approve any lobbying activities by employees or the use of company funds for lobbying.

CIT's Political Action Committee ( **PAC** ) is a non-partisan committee that provides an opportunity for company employees to participate in the political process. The PAC is funded entirely through voluntary contributions from eligible CIT employees, and uses those funds to support candidates running for elective office, political parties, and other political action committees that are supportive of CIT's public policy goals.

CIT's Code of Business Conduct encourages employees to participate in civic and political activities on their own time based on their individual desires and political preferences, including making personal contributions to political candidates or activities, as long as they do not express or imply that they are acting on behalf of CIT.

### **Hedging, Margin Accounts and Pledged Securities**

CIT's directors and employees are prohibited from entering into financial transactions to hedge their ownership interest in CIT's securities, including trading in publicly traded options, puts, calls, collars or other derivative instruments related to CIT's stock or debt. CIT's directors and

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employees are also prohibited from holding CIT's securities in a margin account or otherwise pledging CIT securities as collateral for a loan.

- 29 -



## DIRECTOR COMPENSATION

The Governance Committee recommends to the Board the compensation and benefits for CIT's non-employee directors. The objectives of the director compensation program are to attract highly qualified individuals to serve on the Board and to align their interests with our stockholders. Employee directors do not receive compensation for their services as a director.

CIT's director compensation plan (the **Director Compensation Plan**) is described below. Directors' compensation is earned for each twelve-month period beginning in May and ending in April, but is disclosed in the annual proxy statement on a fiscal year basis. During 2016, CIT amended its Director Compensation Plan to increase the annual retainer payable to independent directors from \$60,000 to \$85,000, as described below under the heading "Annual Cash Retainer".

### Initial Equity Awards

A one-time grant of restricted stock units (RSUs) valued at \$100,000 at the time of grant is awarded to directors in connection with their appointment to the Board, subject to applicable black-out periods and applicable vesting terms.

### Annual Compensation

The following table outlines the elements of compensation paid annually to directors for each twelve-month period beginning in May and ending in April of the following calendar year, and determined by each director's role on the Board, pursuant to the Director Compensation Plan.

	<b>Lead Director, Board Committee Chairs and Directors Serving on more than one Board Committee</b>	<b>All Other Directors</b>
Cash Retainer	\$85,000	\$85,000
Equity-Based Award (1)	\$105,000 to \$155,000	\$95,000
Total	\$190,000 to \$240,000	\$180,000

- (1) CIT's Director Compensation Plan provides for supplemental director equity-based awards in the form of RSUs as follows: \$25,000 for serving as Audit Committee Chair, \$15,000 for serving as Risk Management, Compensation, Special Compliance, or Governance Committee Chair, \$25,000 for serving as Lead Director and \$10,000 for serving on more than one Board Committee. The range of compensation listed in the Equity-Based Award and Total rows of the table represent the foregoing amounts. The maximum amounts in such ranges presume that a director serves as Audit Committee Chair and Lead Director and serves on more than one Board Committee.

### Annual Cash Retainer

An annual cash retainer of \$85,000 (increased from \$60,000 during 2016), is payable semi-annually in May and October of each year. Alternatively, directors may elect to receive their cash retainer in any combination of cash and RSUs that settle 100% in shares of CIT stock. RSUs granted in lieu of cash as part of the annual retainer vest in full on the first anniversary of the grant date.

### Annual Equity Awards

Directors' equity-based awards are granted in May of each year in the form of RSUs that settle 50% in cash and 50% in shares and vest in three equal installments beginning on the first anniversary of the date of the grant. Directors may elect to receive 100% of vested RSUs in shares of CIT stock.

### Pro-Ration Upon Joining the Board

Annual cash retainers and the value of annual equity-based awards payable to directors with respect to the compensation year during which they are named to the Board are prorated, based on the number of months remaining in the compensation year at the time they are appointed to the

Board divided by twelve.

**Meeting Fees**

CIT Group directors who also serve on the Board of Directors of CIT Bank (the CIT Bank Board ) receive \$1,000 for each meeting of the CIT Bank Board in which they participate in person, and \$500 for each meeting of the CIT Bank Board in which they participate by telephone. Such fees are payable quarterly in arrears, in cash. No additional fees are paid for attendance at Board or Board Committee meetings.

- 30 -

**Out-of-Pocket Expenses**

Directors are reimbursed for reasonable out-of-pocket expenses incurred in attending Board or Board Committee meetings and functions and for continuing education related to serving as a director of CIT.

**2016 DIRECTOR COMPENSATION TABLE**

Name	Fees Earned or Paid in Cash (6) (\$)	Stock Awards (7)(8) (\$)	All Other Compensation (9) (\$)	Total (\$)
(a)	(b)	(c)	(g)	(h)
Ellen R. Alemany (1)	\$	\$	\$	\$
Michael L. Brosnan	\$ 42,500	\$	\$	\$ 42,500
Michael A. Carpenter	\$ 88,000	\$ 205,000	\$	\$ 293,000
Dorene C. Dominguez	\$ n/a	\$ n/a	\$ n/a	\$ n/a
Michael J. Embler (2)	\$ 4,500	\$	\$	\$ 4,500
Alan L. Frank	\$ 95,500	\$ 95,000	\$	\$ 190,500
William M. Freeman	\$ 85,000	\$ 120,000	\$	\$ 205,000
David M. Moffett (2)	\$ 4,000	\$	\$	\$ 4,000
Marianne Miller Parrs	\$ 94,500	\$ 130,000	\$	\$ 224,500
Steven T. Mnuchin (3)	\$	\$	\$ 11,235,080	\$ 11,235,080
R. Brad Oates	\$ 95,500	\$ 120,000	\$	\$ 215,500
John J. Oros (4)	\$ 88,000	\$ 205,000	\$	\$ 293,000
Gerald Rosenfeld	\$ 95,000	\$ 110,000	\$	\$ 205,000
Vice Admiral John R. Ryan	\$ 85,000	\$ 130,000	\$	\$ 215,000
Sheila A. Stamps	\$ 95,500	\$ 135,000	\$	\$ 230,500
Seymour Sternberg (2)	\$	\$	\$	\$
John A. Thain (5)	\$	\$	\$	\$
Peter J. Tobin	\$ 85,000	\$ 105,000	\$	\$ 190,000
Laura S. Unger	\$ 87,000	\$ 110,000	\$	\$ 197,000

- (1) Ms. Alemany's compensation for 2016 was based solely on her role as Vice Chairman of CIT and CEO and President of CIT Bank, and subsequently CEO of CIT, during 2016, as disclosed in the Summary Compensation Table and discussed in the Compensation Discussion and Analysis section in this Proxy Statement.
- (2) Messrs. Embler, Moffett and Sternberg received retainer payments during 2015 that covered their services through their retirement from the Board in May 2016.
- (3) Mr. Mnuchin's compensation during 2016 was based on his role as Vice Chairman of CIT and continued employment through March 31, 2016.
- (4) Mr. Oros resigned as a director, effective November 9, 2016, due to the demands and requirements of his position with J.C. Flowers & Co. The value of the RSU awards granted to Mr. Oros in May 2016 upon his joining the Board are reported in the Stock Awards column in accordance with SEC disclosure rules. These awards were cancelled without any value upon Mr. Oros' resignation from the Board.
- (5) Mr. Thain's compensation during 2016 was based solely on his role as CEO of CIT, as disclosed in the Summary Compensation Table and discussed in the Compensation Discussion and Analysis section of this Proxy Statement.
- (6) During 2016, non-employee directors received an annual retainer of \$85,000, which was payable in cash or converted to a number of RSUs at each director's election. Mr. Brosnan received a prorated retainer based on when he became a director during 2016. The grant date fair value of RSUs received at each director's election did not exceed the value of the foregone cash retainer, and no amount related to such

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awards is therefore included in the Stock Awards column. All of the non-employee directors, other than Mr. Rosenfeld who elected to receive 100% of his retainer as RSUs, received their retainers as cash. Mr. Rosenfeld's 2016 retainer was converted to a number of RSUs based on the closing price of CIT common stock on the respective grant dates, and are scheduled to vest 100% on the first anniversary of the date of each award, respectively. The number of RSUs granted and the grant date fair value of awards granted at Mr. Rosenfeld's election, are as follows: Mr. Rosenfeld, 900 RSUs granted on 5/10/16 (\$30,000) and 1,524 granted on 10/26/16 (\$55,000).

- 31 -

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The amounts shown for each non-employee director include meeting fees received during 2016, as set forth in the table below:

	<u>Meeting Fees</u>
Messrs. Frank and Oates and Ms. Stamps	\$ 10,500
Mr. Rosenfeld	\$ 10,000
Ms. Miller Parrs	\$ 9,500
Mr. Embler	\$ 4,500
Mr. Moffett	\$ 4,000
Messrs. Carpenter and Oros	\$ 3,000
Ms. Unger	\$ 2,000

- (7) Represents the aggregate grant date fair value of RSUs granted during 2016 for each non-employee director, other than for RSUs granted as part of the annual retainer and described in footnote 5 above. These amounts do not represent the actual value realized by each director. The grant date fair value is determined in accordance with FASB ASC 718 based on the closing price of CIT common stock on the date of grant. The number of RSUs granted during 2016 was determined based on the closing price of CIT common stock on each grant date and are scheduled to vest in equal installments on the first, second, and third anniversaries of the date of the award. The number of RSUs and grant date fair value of awards granted to each non-employee director are as follows:

	<u>Grant Date</u>	<u># RSUs</u>	<u>Grant Date Fair Value</u>
Messrs. Carpenter and Oros	5/10/16	3,148	\$ 105,000
	5/10/16	2,999	\$ 100,000
Mr. Frank	5/10/16	2,849	\$ 95,000
Ms. Miller Parrs and Vice Admiral Ryan	5/10/16	3,898	\$ 130,000
Messrs. Freeman and Oates	5/10/16	3,598	\$ 120,000
Mr. Rosenfeld	5/10/16	3,298	\$ 110,000
Ms. Stamps	2/3/16	552	\$ 15,000
	5/10/16	3,598	\$ 120,000
Mr. Tobin	5/10/16	3,148	\$ 105,000
	5/10/16	3,148	\$ 105,000
Ms. Unger	5/24/16	150	\$ 5,000

The RSUs listed above are scheduled to either settle 50% in cash and 50% in shares, or 100% in shares based on director elections, other than the initial grants for Messrs. Carpenter and Oros which are scheduled to settle 100% in shares.

- (8) The following table sets forth the aggregate number of equity-based awards to each non-employee director outstanding at December 31, 2016:

	<u>Stock Options</u>	<u>RSUs</u>
Mr. Carpenter		6,147
Mr. Embler		
Mr. Frank		5,274
Mr. Freeman		8,598
Ms. Miller Parrs		6,803

	<u>Stock Options</u>	<u>RSUs</u>
Mr. Moffett		
Mr. Oates		7,873
Mr. Oros		
Mr. Rosenfeld	1,757	18,834
Mr. Ryan		14,149
Ms. Stamps		7,377
Mr. Sternberg	310	
Mr. Tobin	4,902	17,469
Ms. Unger		14,339

The use of stock options was discontinued in April 2010, and RSUs were the only form of equity-based awards granted to directors during 2016. The number of RSUs that are vested as of December 31, 2016, but deferred at the election of the directors, included in the number of RSUs outstanding presented above, are as follows: Mr. Carpenter 3,148; Mr. Freeman 2,654; Mr. Oates 2,152; Mr. Rosenfeld 16,411; Mr. Ryan 8,375; Mr. Tobin 17,469; Ms. Unger 14,339; Mses. Stamps and Miller Parrs, and Messrs. Embler, Frank, Moffett and Sternberg 0 (none).

- (9) Pursuant to the Agreement and Plan of Merger entered into on July 21, 2014, as amended, by and among CIT, IMB HoldCo LLC, Carbon Merger Sub LLC, a wholly owned subsidiary of CIT and JCF III HoldCo I L.P., in its capacity as the holders' representative, CIT entered into a retention letter agreement with Mr. Mnuchin, which provided for a total target annual compensation opportunity in the amount of \$4.5 million for each of 2015, 2016 and 2017 (including base salary at an annual rate of \$800,000, short-term incentive of \$1.4 million and long-term incentive of \$2.3 million). Pursuant to Mr. Mnuchin's employment agreement, in the event of the termination of his employment without cause or for good reason prior to the third anniversary of the closing of the acquisition, subject to the execution of a release of claims, Mr. Mnuchin would be entitled to a lump sum severance payment approximately equal to the remaining total target annual compensation opportunity, plus 102% of COBRA medical premiums, for the three-year period following the closing of the acquisition, or such greater amount as would be payable to senior executives under CIT's Employee Severance Plan. Mr. Mnuchin's employment was terminated effective March 31, 2016.

The amount shown in the All Other Compensation column above includes: (1) \$200,000 of base salary earned for service to CIT through March 31, 2016; (2) \$10,906,654, representing the severance payment described above; (3) \$107,692 of accumulated, unused vacation entitlement; (4) \$10,000 representing accumulated, unused personal time entitlement; and (5) \$10,600 and \$134 representing matching employer contributions under the CIT Group Inc., Savings Incentive Plan, and company-paid life insurance premiums, respectively, which are described more fully in footnote 7 of the Summary Compensation Table. Mr. Mnuchin did not receive any short-term or long-term incentive awards for the 2016 performance year.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

### Security Ownership of Certain Beneficial Owners

The following table shows the name and address of each person or company known to CIT that beneficially owns more than 5% of any class of voting stock. Information in this table is as of December 31, 2016, based upon reports on Schedule 13G filed with the SEC on or before February 14, 2017.

Title of Class of Stock	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Common Stock
Common Stock	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	15,485,691 (1)	7.660%
Common Stock	Capital Research Global Investors 333 South Hope Street Los Angeles, CA 90071	15,243,600 (2)	7.500%
Common Stock	First Pacific Advisors, LLC On behalf of itself and FPA Funds Trust FPA Crescent Fund, J. Richard Atwood and Steven T. Romick 11601 Wilshire Blvd., Suite 1200 Los Angeles, CA 90025	13,642,498 (3)	6.800%
Common Stock	Franklin Mutual Advisers, LLC 101 John F. Kennedy Parkway Short Hills, NJ 07078-2789	13,516,439 (4)	6.700%
Common Stock	FMR LLC 245 Summer Street Boston, MA 02210	11,807,349 (5)	5.843%
Common Stock	BlackRock, Inc. 55 East 52nd Street New York, NY 10055	11,517,335 (6)	5.700%

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- (1) The Vanguard Group reports sole voting power over 171,253 shares, shared power to vote over 31,542 shares, sole dispositive power over 15,286,322 shares and shared dispositive power over 199,369 shares.
- (2) Capital Research Global Investors reports on behalf of itself sole voting power over 15,243,600 shares and sole dispositive power over 15,243,600 shares.

- 33 -



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- (3) First Pacific Advisors, LLC reports shared voting power over 2,417,058 shares and shared dispositive power over 13,642,498 shares (including, on behalf of FPA Funds Trust FPA Crescent Fund, sole voting power over 11,225,440 shares and shared dispositive power over 11,225,440 shares; on behalf of J. Richard Atwood, shared voting power over 2,417,058 shares and shared dispositive power over 13,642,498; and on behalf of Steven T. Romick, shared voting power over 2,417,058 shares and shared dispositive power over 13,642,498 shares).
- (4) Franklin Mutual Advisers, LLC reports sole power to vote or direct the vote over 13,516,439 shares and sole power to dispose or direct the disposition of 13,516,439 shares.
- (5) FMR LLC reports sole power to vote or direct the vote over 972,347 shares and sole power to dispose or direct the disposition of 11,807,349 shares.
- (6) BlackRock, Inc. reports sole voting power over 10,105,444 shares and sole dispositive power over 11,517,335 shares.

**Security Ownership of Directors and Executive Officers**

The table below shows, as of February 28, 2017, 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)	Percentage of Class
	(1)(2)(3)(4)(5)(6)	
John A. Thain (7)	541,503	*
Ellen R. Alemany (7)	38,259	*
Michael L. Brosnan	0	*
Michael A. Carpenter	0	*
Dorene C. Dominguez	100	*
Alan L. Frank (7)	14,608	*
William M. Freeman	6,929	*
R. Brad Oates	6,131	*
Marianne Miller Parrs	10,075	*
Gerald Rosenfeld	12,399	*
John R. Ryan	6,701	*
Sheila A. Stamps	3,960	*
Peter J. Tobin	4,539	*
Laura S. Unger	5,677	*
John Erickson	0	*
E. Carol Hayles	41,845	*
C. Jeffrey Knittel	116,673	*
Denise M. Menelly	0	*
All Directors and Executive Officers as a group (28 persons)	957,374	* %

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

- (1) Includes RSUs awarded under our equity compensation plans which have voting rights due to the expiration of the holding period and their settlement in stock (less shares withheld to cover tax obligations), in the following amounts: Mr. Thain 259,162, Ms. Alemany 19,260, Ms. Dominguez 100, Mr. Frank 960, Mr. Freeman 4,617, Mr. Oates 1,243, Ms. Parrs 7,672, Mr. Rosenfeld 7,806, Mr. Ryan 4,711, Ms. Stamps 3,957, Mr. Tobin 1,360, Ms. Unger 2,698, Ms. Hayles 40,825, Mr. Knittel 98,659 and 137,715 to all other executive officers as a group.

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- (2) Includes Performance Share Units awarded under our equity compensation plans which have voting rights due to the certification of the performance measurements upon expiration of the holding period and their settlement in stock (less shares withheld to cover tax obligations), in the following amounts: Mr. Thain 65,206, Ms. Hayles 1,020, Mr. Knittel 18,013 and 7,693 to all other executive officers as a group.
- (3) Includes shares of CIT common stock issued pursuant to the exercise of vested stock options awarded under our equity compensation plan, net of shares withheld to cover the option cost in the following amounts: Mr. Freeman 792, Mr. Oates 2,387, Ms. Parrs 883, Mr. Ryan 789, Mr. Rosenfeld 537, Mr. Tobin 1,180, and Ms. Unger 1,040.
- (4) Includes shares of CIT common stock issuable pursuant to stock options awarded under our equity compensation plan that have vested or are scheduled to vest within 60 days after February 28, 2017, in the following amounts: Mr. Rosenfeld 824.
- (5) Excludes RSUs issued under our equity compensation plans that will settle 100% in stock, for which the holders do not have voting rights, and for which ownership has not vested, in the following amounts: Ms. Alemany 111,701, Mr. Brosnan 3,744, Mr. Carpenter 2,998, Mr. Frank 1,416, Mr. Rosenfeld 2,423, Ms. Stamps 368, Ms. Hayles 23,189, Mr. Knittel 47,825, Ms. Menelly 47,892, and 182,737 to all other executive officers as a group.

- 34 -

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- (6) Excludes RSUs issued under our equity compensation plans, for which the holders do not have voting rights, for which ownership has not vested, and for which settlement shall be made 50% in cash and 50% in stock, in the following amounts: Ms. Alemany 2,345 (all of which Ms. Alemany elected to settle 100% in stock), Mr. Carpenter 3,148, Mr. Frank 3,857, Mr. Freeman 8,597 (2,653 of which Mr. Freeman elected to settle 100% in stock and to defer settlement until he is no longer a member of the Board), Mr. Oates 7,873 (all of which Mr. Oates elected to settle 100% in stock, and 2,152 of which Mr. Oates elected to defer settlement until he is no longer a member of the Board), Ms. Parrs 6,803, Mr. Rosenfeld 16,411 (all of which Mr. Rosenfeld elected to settle 100% in stock and to defer settlement until he is no longer a member of the Board), Mr. Ryan 14,148 (8,375 of which Mr. Ryan elected to settle 100% in stock and to defer settlement until he is no longer a member of the Board), Ms. Stamps 5,944 (1,512 of which Ms. Stamps elected to settle 100% in stock), Mr. Tobin 17,469 (all of which Mr. Tobin elected to settle 100% in stock and to defer settlement until he is no longer a member of the Board), and Ms. Unger 14,339 (all of which Ms. Unger elected to settle 100% in stock and to defer settlement until she is no longer a member of the Board).
- (7) Includes shares of CIT common stock held in various trusts for which the director or officer has disclaimed beneficial ownership, in the following amounts: Ms. Alemany 36,311, Mr. Thain 57,135, and Mr. Frank 9,097.

### EXECUTIVE OFFICERS

The following table sets forth certain information, as of February 22, 2016, regarding CIT's executive officers. 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. The executive officers, like all directors and employees, are subject to CIT's Code of Business Conduct, which is available on our website at <http://www.cit.com/about-cit/corporate-governance/code-of-conduct/index.htm>. Certain executive officers may also be directors or trustees of privately held or not-for-profit organizations that are not referred to below.

Name	Age	Position
Ellen R. Alemany (1)	61	Chairwoman and Chief Executive Officer of CIT and CEO and President of CIT Bank, N.A.
Stuart Alderoty	57	Executive Vice President, General Counsel and Secretary
George D. Cashman	63	President, CIT Rail
James J. Duffy	62	Executive Vice President and Chief Human Resources Officer
Matthew Galligan	63	President, Real Estate Finance
E. Carol Hayles	56	Executive Vice President and Chief Financial Officer
James L. Hudak	53	President, Commercial Finance
C. Jeffrey Knittel	58	President, Transportation Finance
Denise M. Menelly	55	Executive Vice President and Head of Technology and Operations
Kelley Morrell	37	Executive Vice President and Chief Strategy Officer
Gina M. Proia	44	Executive Vice President and Chief Marketing and Communications Officer
Robert C. Rowe	55	Executive Vice President and Chief Risk Officer
Steven Solk	62	President of Consumer Banking, President, California and President, Business Capital
Edward K. Sperling	52	Executive Vice President & Corporate Controller

- (1) See Directors Nominees in this Proxy Statement for Ms. Alemany's biographical information.

**Stuart Alderoty** has served as Executive Vice President and General Counsel and Secretary since October 2016. He is the Chief Legal Officer, responsible for overseeing all legal, corporate governance and insurance risk management matters for CIT and its operating groups. Mr. Alderoty joined CIT from HSBC North America Holdings, Inc., where he served as General Counsel for six years. Prior to joining HSBC, Mr. Alderoty was Managing Counsel at American Express, and before that he was a partner with the law firm of LeBouef, Lamb, Green and MacRae, specializing in litigation. Mr. Alderoty serves on the board and executive committee of the Minority Corporate Counsel Association, a not-for-profit association that advocates for the expanded hiring, retention and promotion of minority attorneys in corporate law departments and the law firms that serve them. He also serves on the board and executive committee of the Count Basie Theatre, a not-for-profit community arts center in Red Bank, New Jersey. Mr. Alderoty is also a member of the advisory committee of the Corporate Law Center at Rutgers University Law School. Mr. Alderoty has a BA from Rutgers University and a JD from Rutgers University Law School Newark.



**George D. Cashman** has served as President of CIT Rail since August 2006. He joined CIT in January 2000 as Senior Vice President and was promoted to Executive Vice President in July 2001. He was subsequently promoted to his current position in August 2006. His areas of expertise include rail and shipping industry trends and railcar types and leasing. Prior to joining CIT, he was Senior Vice President of PSE&G Energy Services, responsible for developing a captive finance company for this unregulated energy services subsidiary of PSE&G. Before PSE&G, Mr. Cashman was President and Co-Founder of Glenshaw Capital, an investment advisory company. He spent the majority of his career with Westinghouse Financial Services, where he served in a variety of management positions, including most recently as Executive Vice President and Group Manager - Major Industries Finance. In this role, he developed industry verticals in the Transportation, Energy and Media markets. Prior to joining Westinghouse in 1984, Mr. Cashman held a number of positions with GTE Corporation, including co-founding its captive finance company. He received a BS degree in Finance and Economics from Susquehanna University and an MBA from the College of William and Mary.

**James J. Duffy** has served as Executive Vice President and Chief Human Resources Officer at CIT since August 2016. He is responsible for overseeing the human resources function, including the development and implementation of the company's global employee talent programs, employment policies, compensation and benefits. Mr. Duffy was previously Chief Human Resources Officer at Ally Financial Inc., where he was responsible for HR, including compensation, staffing, leadership development, talent management, and acquisition, employee relations and organizational development. Prior to Ally, Mr. Duffy was the chief human resources officer at CIT. Prior to joining CIT in 2006, he served as Senior Vice President of Human Resources for Citigroup's Global Consumer Group, a \$13 billion business offering a full range of consumer products with more than 200,000 employees in 50 countries. Before joining Citigroup, Mr. Duffy held senior HR positions at other major banking and manufacturing companies, including AlliedSignal, Ingersoll-Rand, Bankers Trust and GE. Mr. Duffy earned a BS in Industrial and Labor Relations from Cornell University.

**Matthew Galligan** has served as President of Real Estate Finance since December 2015. Prior to that, Mr. Galligan was Executive Vice President of Real Estate Finance since November 2011. Previously, Mr. Galligan served as Managing Director and Head of U.S. Property Finance for Bank of Ireland where, under his leadership, his team negotiated and closed more than 30 transactions totaling \$2 billion. Before joining Bank of Ireland, he served as Executive Vice President for Real Estate Capital Markets at DebtX. He has also worked for Fleet Boston Financial, Bank of Boston and Chase Manhattan in executive level positions in credit, real estate lending, debt distribution and capital markets. Mr. Galligan sits on the Commercial Real Estate Board of Governors for the Mortgage Bankers Association. Mr. Galligan received a BA in Economics/Accounting from the College of the Holy Cross and an MBA in Finance from the New York University Graduate School of Business Administration.

**E. Carol Hayles** has served as Executive Vice President and Chief Financial Officer since November 2015. Prior to that, she was Executive Vice President and Corporate Controller since July 2010. Prior to that, she spent 24 years at Citigroup Inc., including serving as Deputy Controller of Citigroup, Inc. since January 2008, leading the SEC and regulatory reporting functions. Before that, she held various leadership positions at Citigroup, including Senior Analyst in Investor Relations, Chief Financial Officer of Citibank's e-Business, CFO of Citigroup's Global Relationship Bank and CFO of Citibank Canada. Ms. Hayles began her career at PricewaterhouseCoopers LLP in Toronto, Canada. Ms. Hayles received her BBA from York University.

**James L. Hudak** has served as President of CIT Commercial Finance since December 2015. Prior to that, he served as President and Co-Head of Corporate Finance since October 2008. Previously, Mr. Hudak was President of CIT's Communications, Media and Entertainment business since 2001. In 1994, he co-founded the Telecom Financing Group at AT&T Capital, a predecessor of CIT. Mr. Hudak originally joined AT&T Capital in 1991 in its Capital Markets Division, focusing on large project financings and leveraged leases. He started his career at Philadelphia National Bank, completing a formal bank training program and initially concentrated on commercial real estate projects, and thereafter had roles at both Merrill Lynch and Citibank, where he worked in the Leveraged Finance division. Mr. Hudak received a BA from Bucknell University and an MBA from Cornell University. He is a former officer in the U.S. Army and Army Reserves.

**C. Jeffrey Knittel** has served as President of Transportation Finance since January 2014. Previously, Mr. Knittel served as President of Transportation Finance since 2007 and CIT Aerospace since 1997 and Executive Vice President of CIT Group/Capital Finance since 1992, and in several other senior management positions within CIT Group/Capital Finance since 1986. Mr. Knittel also served in various senior management positions with Manufacturers Hanover Leasing Corporation since 1982 and Cessna Finance since 1980. Mr. Knittel received a BS in Aviation Management from Embry-Riddle Aeronautical University. He also attended the University of Pennsylvania's Wharton School of Business Advanced Management Program.

**Denise M. Menelly** has served as Executive Vice President and Head of Technology and Operations since June 2016. Previously, Ms. Menelly spent six years with Bank of America Merrill Lynch, most recently as Head of Enterprise Shared Services, where she managed and transformed functions shared by the bank's corporate, commercial and consumer business lines. She joined Bank of America in 2010 as the chief operating officer for Corporate Banking and then became the global head of Commercial and Corporate Bank Operations, managing functions in more than 28 countries. Prior to joining Bank of America, Ms. Menelly served as the head of operations for RBS Citizens and vice chairman of Citizens Bank. In these roles her responsibilities included the U.S.-based banking operations for Consumer Banking, Commercial Banking and Global Transaction Services. From 1996 to 2008, Ms. Menelly worked



at Citigroup, implementing technology and process changes while increasing her responsibilities in various Operations and Technology roles. These included Global Head of Securities & Fund Services (SFS) Operations and Client Delivery, Head of Operations for the Commercial Business Group, Head of CitiCapital Operations, Head of Global Transaction Services Client Delivery and Head of Domestic Cash Management Operations. Ms. Menelly began her career with Bankers Trust Company in 1983 and spent the next 13 years managing various operations and technology functions. When she left in 1996, she was the director of Operations and the head of Global Treasury and Trade Operations. Ms. Menelly holds a BS from Manhattan College.

**Kelley Morrell** has served as Executive Vice President and Chief Strategy Officer since December 2015. She is responsible for leading the evaluation and execution of a wide range of strategic initiatives, including large-scale strategic mergers and acquisitions, as well as partnering with senior leaders across the organization to develop the Company's strategy and execute its strategic priorities. Prior to joining CIT, Ms. Morrell served as a Senior Director of the U.S. Treasury's Automotive Industry Financing Program, the Federal government's \$81 billion portfolio of investments in the American automotive industry, which originated during the 2008 Financial Crisis. She oversaw the Government's investments in Chrysler Financial, and in Chrysler Group following its emergence from bankruptcy, and through its restructuring and successful exit from government ownership. Ms. Morrell also led the development of strategic alternatives for Ally Financial, and was part of the team that executed the initial public offering of General Motors after its emergence from bankruptcy. Previously, Ms. Morrell was an investment professional at Hellman & Friedman, the San Francisco-based private equity firm. She began her career as an investment banker at Goldman Sachs in its Financial Institutions Group. Ms. Morrell graduated magna cum laude from Harvard College and received her MBA with distinction from Harvard Business School.

**Gina M. Proia** has served as Executive Vice President and Chief Marketing and Communications Officer since December 2016. She is responsible for overseeing the company's branding, marketing, advertising, communications and corporate citizenship strategies as well as ensuring they support CIT's strategic priorities. She is also responsible for advancing strategies and programs to help promote a corporate culture that aligns employees with CIT's business goals, facilitates sustained growth, and complies with regulatory requirements. Ms. Proia joins CIT following 10 years at Ally Financial, where she served most recently as Chief Communications Officer. She has served as a board member of Jump\$tart Coalition, a national nonprofit organization advancing financial education for young people. She is also a member of the Arthur W. Page Society. In 2010, Ms. Proia was recognized on PR Week's 40 Under 40 List, and in 2015 she received the Aiming High Award from Legal Momentum, the Women's Legal Defense and Education Fund, which recognizes the accomplishments of women in business. Prior to joining Ally, Ms. Proia held various positions at General Motors in the areas of financial communications, marketing communications, and product publicity.

**Robert C. Rowe** has served as Executive Vice President and Chief Risk Officer since December 2015. He is responsible for overseeing the transaction approval process across CIT operating segments, setting credit policy and overseeing the Company's workout/special assets function. He is also responsible for ensuring the regular review, adherence to and effective communication of credit policy and procedures across all levels of CIT. Mr. Rowe previously served as Executive Vice President and Chief Credit Officer of CIT since June 2010. Prior to that, Mr. Rowe served as Senior Credit Officer - Commercial Banking of FirstMerit Bank until May 2010. Prior to that, Mr. Rowe also served as Chief Credit Officer of National City Bank after spending 20 years in various roles of increasing responsibility in its Corporate Banking and Credit departments. While at National City, he also served as Division Head of the Equity Sponsor Group and had transaction approval responsibility for various segments that included Leveraged Finance and Asset-Based Lending. Before National City, Mr. Rowe served as Account Officer and Assistant Treasurer of Irving Trust (now Bank of New York Mellon). He received a BA degree in Economics from Boston College and an MBA in Finance from Indiana University.

**Steven Solk** has served as President of CIT Business Capital since December 2015 and as President of Consumer Banking and, President, California since November 2016. He is responsible for CIT's Direct Capital, Capital Equipment Finance, Equipment Finance, Lender Finance, Consumer Banking and Commercial Services businesses. Previously, Mr. Solk was an Executive Vice President of Commercial Finance at RBS Citizens Bank and a member of Citizens' Executive Leadership Group. In this role, he was responsible for executing growth strategies for four commercial banking specialty businesses, which included Franchise Finance, Business Capital, Asset Finance and Commercial Real Estate. Prior to RBS, Mr. Solk served in several executive roles in the financial sector, including more than 20 years at Citigroup. At Citigroup, he managed multiple lending and leasing specialty businesses and attained leading market positions in core target markets. Mr. Solk began his career at Bank of America, where he underwrote and managed corporate relationships. Mr. Solk earned a BA in Finance from Arizona State University.

**Edward K. Sperling** has served as Executive Vice President and Corporate Controller since November 2015. Prior to being named to this position, Mr. Sperling was Senior Vice President and Deputy Controller since 2011. Mr. Sperling has held numerous leadership roles at CIT in Corporate Accounting, Internal Audit, Credit, Financial Planning and Analysis, Investor Relations, Technology and Treasury. Mr. Sperling holds a BS in Accounting from Rutgers University and an MBA in Finance from Seton Hall University.





**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended ( **Exchange Act** ), requires CIT's directors, certain officers and persons who own more than 10% of a registered class of CIT's equity securities, to file reports of securities ownership and changes in such ownership with the SEC. Certain officers, directors and greater than 10% stockholders also are required by SEC rules to furnish CIT with copies of all Section 16(a) forms they file.

Mr. Rosenfeld filed one late Form 4 in 2016 with respect to one transaction regarding the acquisition of CIT common stock pursuant to a grant of RSUs vesting in 2017. This late filing resulted from an administrative error by CIT. Based solely upon a review of the copies of Forms 3, 4 and 5 and any amendments thereto furnished to CIT and written representations made to CIT, CIT believes that all other Section 16(a) filing requirements were timely met during 2016.

## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS<sup>1</sup>

This Compensation Discussion and Analysis ( CD&A ) describes our executive compensation program for 2016, how our compensation decisions align with our 2016 financial<sup>2</sup> and strategic achievements and the changes we are making to our 2017 program as a result of stakeholder feedback and to further align with our 2017 strategic initiatives. This Compensation Discussion & Analysis is divided into five sections:

- n Overview
- n 2016 Performance and Strategic Highlights
- n 2016 and 2017 Program Evolution
- n 2016 Program Detail
- n Other Pay Practices

#### OVERVIEW

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#### 2016 Compensation Program Highlights

At the end of the first quarter of 2016, we announced the results of our comprehensive strategic review and our vision for creating a leading national bank for specialty lending to the middle market and small businesses. Our 2016 executive compensation programs were designed around achieving this vision and leading market practices, as follows:

- n Compensation structures for new leaders and new peer group both aligned with focused business mix and asset size

- n Short-term Incentive ( STI ) for our CEO 50% based on quantitative financial factors, 30% directly based on achievement of key strategic objectives (including successful separation of CIT Commercial Air) and 20% based on other

qualitative factors; for our other NEOs, at least 50% of STI is based on quantitative financial factors with the remainder based on key strategic objectives and other qualitative factors

- n Long-term Incentive ( LTI ) 100% performance-based, half of which is in the form of performance share units based on 3-year average adjusted after-tax ROATCE ( PSUs-ROATCE ) aligned with achieving our 10% target in 2018; the other 50% in performance-based RSUs ( PBRsUs ) with minimum Common Equity Tier 1 performance hurdle

- n All long-term incentives subject to clawbacks that extend post-vesting

- n All change-of-control benefits are double-trigger

- n Robust equity holding requirements and prohibition on hedging

### **2017 Compensation Program Changes**

Our executive compensation program has been continually adjusted and refined to reflect

each next step of our business evolution. Accordingly, and in direct response to shareholder feedback, for 2017 we will:

n **2017 STI:** Keep our rigorous scorecard approach but increase the weighting of quantitative financial factors to 70% for our CEO and other business segment heads while simplifying the goal structure

n **2017 LTI:** Add a factor based on relative total shareholder return ( TSR ) to our performance share units, which will continue to be based on 3-year average adjusted after-tax ROATCE and aligned with achieving our 10% target in 2018

n **Clawback:** Expand our clawback policy to cover cash payments under our STI program

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<sup>1</sup> This CD&A contains non-GAAP financial measures, which are identified with an asterisk (\*) in the first place in which they appear. For information about how these measures are calculated, see Non-GAAP Financial Measures and Other Definitions beginning on page 56.

<sup>2</sup> This CD&A makes reference to (i) post-revision financial measures, which reflect certain revisions to the Company's financial statements reported in Note 30 Revision of Previously Reported Annual Financial Statements of its Form 10-K filed with the SEC on March 16, 2017, for the year ended December 31, 2016 to correct for immaterial errors for the years ended December 31, 2015 and 2014; and (ii) pre-revision financial measures, which do not reflect such revisions.

The following principles guide our executive compensation programs and compensation philosophy:

**Guiding Principles**

- Attract, retain and motivate high-quality executives and staff**
  - n Target pay levels designed to be competitive with market practice.
  - n Differentiate compensation by individual, reflecting his or her role, experience, performance and expected contributions.
- Pay for performance / meritocracy**
  - n Our program includes short-term and long-term performance-based elements, encompassing both objective and subjective goals, and considers corporate, business segment, individual, and performance relative to our peers.
  - n Total compensation is expected to vary each year and may evolve over the long term to reflect our strategic objectives and performance.
- Reinforce long-term view of CIT performance and value creation**
  - n A significant portion of incentive compensation is stock-based and long-term in focus.
  - n Robust equity holding requirements and prohibition on hedging.
- Make compensation decisions in accordance with strong governance, oversight, and risk management**
  - n Retain an independent compensation consultant to advise the Compensation Committee.
  - n Maintain robust clawback provisions.
  - n Risk Management Group fully integrated in the overall program design and operation.

**Pay Practices**

**What We Do:**

- √ Significant emphasis on performance-based compensation, with majority of incentive compensation dependent on long-term performance
- Ö Balanced portfolio of metrics that drive annual, long-term, financial and strategic goals
  - √ All long-term incentives subject to clawbacks that extend post-vesting, with clawback extended to short-term incentive in 2017
  - √ LTI is 100% performance based, with 50% of LTI value in PSUs and 50% in PBRsUs
- Ö Stock ownership and retention requirements that reinforce alignment between shareholders and executive officers
- Ö Independent compensation consultant advising the Compensation Committee

**What We Don't Do:**

- r No golden parachute tax gross-ups for our NEOs
- r No participation in executive pension arrangements for executives hired after 2006
- r No perquisites other than car and driver for the CEO
  - r No repricing of underwater stock options, grants of discounted stock options or grants of stock options with reload provisions
- r No single-trigger change of control provisions in our equity-based awards
- r No hedging of CIT securities, including equity-based compensation awards, for all employees, including our NEOs

**2016 PERFORMANCE AND STRATEGIC HIGHLIGHTS**

2016 was a pivotal year for CIT. We established our vision for creating a leading national bank for specialty lending to the middle market and small businesses and launched a three-year strategic plan to drive shareholder value. In 2016, we made substantial progress against our plan and our continuing focus to improve shareholder value.

**Executing on Our 2016 Priorities to Simplify & Strengthen CIT**

**Focus on Our Core Businesses**

- n Announced definitive agreement to sell CIT Commercial Air to Avolon Holdings
- n Stable core operating trends
- n Completed sale of UK Equipment Finance and Canada Equipment and Corporate Finance businesses
- n Completed the integration of OneWest Bank

**Improve Profitability and Return Capital**

- n Completed a third of the annual expense save target
- n Deposits increased to approximately 68% of total funding; weighted average deposit coupon decreased 7 bps from the prior year
- n CIT Bank financing and leasing assets to deposit ratio of 98%
- n Approval to return up to \$3.3 billion of common equity to shareholders in conjunction with CIT Commercial Air Sale<sup>(1)</sup>

**Maintain Strong Risk Management**

- n Commercial credit reserve<sup>(2)</sup> 2.0% of finance receivables
- n Non-accruals 0.9% of finance receivables
- n 10.8% coverage<sup>(3)</sup> on energy loans
- n Common Equity Tier 1 ratio<sup>(4)</sup> 13.8% up ~120 bps from the prior year

- (1) Amended capital plan approval authorizes CIT to return \$2.975 billion of common equity from the net proceeds of the CIT Commercial Air sale; additional \$0.325 billion contingent upon the issuance of a similar amount of Tier 1 qualifying preferred stock.
- (2) Commercial allowance for loan losses plus principal loss discount as % of commercial finance receivables (before the principal loss discount).
- (3) Reflects the purchase accounting discount for loans acquired from OneWest Bank and the allowance for loan losses.
- (4) Capital ratios as of 12/31/16 and based on fully phased-in Basel III estimates.

**Selected Financial Highlights**

**Commercial Banking**

Commercial Finance

n Positioning of business towards more strategic customer base to drive deeper relationships and additional revenue opportunities nearly complete

n Lead roles in 60% of new business in 2016, up from 40% in 2015

n #10 in US Middle Market Sponsored Bookrunner league table in 2016, up from #21 in 2015

n Digital small business lending platform experiencing strong growth due to disruption in industry and strategic account wins

Direct Capital

n Record year with a 14% increase in volume from 2015

n Customer satisfaction at an all-time high based on Net Promoter Score

Treasury Management

n Treasury Management products and services sold to 73 new and existing clients in 2016 across all our Commercial Businesses

n Led 67 transactions for over \$11 billion in financings in 2016 across all our industry verticals, compared to 50 transactions for \$8 billion in 2015

Capital Markets

n OneWest Bank named Best Regional Bank in California by Money Magazine

**Consumer  
Banking**

**Consumer  
Banking**

n Investments in technology aimed to enhance customer experience

n Continued progress on transitioning deposit base and reducing overall cost of funds

## 2016 AND 2017 PROGRAM EVOLUTION

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### 2016 Transition Actions

During 2016, we took a number of steps designed to align our executive compensation program with the results of our strategic review and our vision for creating a leading national bank for specialty lending to the middle market and small businesses. In particular, we revised our compensation peer group to align with our business mix and asset size, established the target compensation structure for our new Chief Executive Officer and Chief Financial Officer, introduced the Executive Incentive Plan (STI for executive officers under the shareholder-approved 2015 Executive Incentive Plan) and changed the mix of LTI to better align with peer practices.

### *New Peer Group*

The Compensation Committee regularly reviews peer and industry information in regard to level and structure of compensation as a competitive frame of reference. The Compensation Committee uses this information and analysis as a reference for setting pay opportunities and making pay decisions, such as changes to base salaries, annual short-term and long-term incentive awards. A key source of information is a peer group of institutions similar to CIT.

With input from their independent compensation consultant, Pay Governance LLC ( Pay Governance ), and management, the Compensation Committee re-evaluated and updated the peer group in 2016 in light of strategic initiatives. The process began with a selection of U.S. based publicly traded regional banks and financial companies considering asset size and business/deposit strategy, and level of business complexity. In line with our strategy to become a leading national bank, the new peer group establishes a greater focus on regional banking and is generally within a range of 0.5 times to 2.5 times the total asset size of CIT. The table below lists the peer companies approved by the Compensation Committee for 2016.

Ally Financial Inc.	Key Corp
Associated Banc-Corp	M&T Bank Corporation
Citizens Financial Group, Inc.	People's United Financial, Inc.
Comerica Inc.	Regions Financial Corporation
Discover Financial Services	Signature Bank
Fifth Third Bancorp	SVB Financial Group
First Republic Bank	Synovus Financial Corp.
Huntington Bancshares Inc.	Zions Bancorp

At the time the Compensation Committee selected the peer group, CIT represented the 38<sup>th</sup> percentile of the peer group in assets and the 54<sup>th</sup> percentile of the peer group in revenues.

The Compensation Committee also uses multiple third-party competitive market surveys provided by compensation consulting firms such as McLagan, Mercer and other firms as necessary (which we refer to as market data).

While the Compensation Committee considers peer and external market data, it does not target a specific market position when determining executive compensation levels. In addition to referencing market data, as described above, the Compensation Committee considered current year performance and overall incentive pool funding, prior year compensation history and compensation levels of other Company executives to provide context for compensation determinations.

### *CEO Transition*

Ms. Alemany became CEO of CIT Group effective April 1, 2016 upon Mr. Thain's retirement on March 31 and became Chairwoman of the Board of Directors upon Mr. Thain's retirement as Chairman following the 2016 Annual Meeting of Stockholders. Ms. Alemany's 2016 target total compensation was established in light of our business strategy, with 87% of her target total compensation comprised of variable compensation subject to achievement of performance goals. Her 2016 target total compensation of \$6.75 million, consisting of base salary of



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\$900,000, short-term incentive target equal to 150% of base salary and long-term incentive target equal to 500% of base salary, was 15% below that of her predecessor and below the median CEO compensation market data for our new peer group.

- 42 -

**2016 Program Changes**

Since becoming a bank holding company, our compensation program has been continually adjusted and refined to reflect the next step on our business evolution.

As previously disclosed, for 2016 the Compensation Committee has revised our executive compensation program by:

Introducing a 2016 STI formula for executive officers set at a maximum of 2% of adjusted pre-tax income under our shareholder approved 2015 Executive Incentive Plan, intended to maximize corporate tax deductibility of executive compensation under Section 162(m) of the U.S. Tax Code.

Changing the mix of our 2016 LTI to include 50% performance share units based on adjusted after-tax return on average tangible common equity and 50% performance-based RSUs to better align with our peer group's pay practices and take into account our go-forward strategic initiatives:

PSUs-ROATCE based on 3-year average adjusted after-tax return on average tangible common equity (ROATCE) with 3-year cliff vesting and earned at the end of the three-year performance period from 0% to a maximum of 150% of target, subject to a credit provision modifier to enhance risk balancing; and

PBRsUs vesting ratably 1/3 per year over 3 years, subject to a performance hurdle (minimum Common Equity Tier 1 for well-capitalized banks).

**2017 Program Changes**

We received significant support from shareholders in 2016 for our Say-on-Pay vote (about 89% of the votes cast were in favor of our program and about the same as in 2015).

In an effort to improve our Say-on-Pay vote for 2017, in addition to taking into account feedback from shareholders and other stakeholders, the Compensation Committee engaged Pay Governance to compare our executive compensation program against market best practices to determine the changes to our 2017 executive compensation structure, as outlined in more detail below. CIT and the Compensation Committee intend to continue to evaluate our executive compensation program annually.

For 2017, and in direct response to shareholder feedback and recommendations from Pay Governance, we will:

Keep our rigorous scorecard approach but increase the weighting of quantitative financial factors to 70% for our CEO (increased from 50%) and heads of our business segments, and simplify the goal structure

Add a factor based on 3-year cumulative relative TSR to our PSUs, which will continue to be based on 3-year average adjusted after-tax ROATCE and aligned with achieving our 10% target in 2018

Expand our clawback policy to cover cash payments under our STI program

**2017 CEO Short-Term Incentive Scorecard Changes**

Since 2015, we have incrementally simplified our short-term incentive goals and increased the weighting of quantitative goals. For 2017, we have continued this process, increasing the weighting of quantitative financial factors to 70%, reducing the number of financial factors to 3 and eliminating the specific weighting of sub-factors for qualitative goal categories, while continuing to ensure that goals are aligned with our strategic objectives and priorities. Our CEO's 2017 short-term incentive goal categories and weightings are shown below:

Goal	Weighting
<b>Quantitative</b>	<b>70%</b>
Financing and Leasing Assets	20%
Operating Expenses	20%
Adjusted ROATCE	30%
<b>Qualitative</b> (Strategic/Operational; Risk/Regulatory/Compliance; Talent Management)	<b>30%</b>



*2017 Target Total Direct Compensation Change for CEO*

As part of approving 2017 total direct compensation targets in February 2017, the Compensation Committee reviewed total compensation targets for the Company's new proxy peer group (for the CEO and CFO), as well as competitive market compensation surveys from McLagan and other publicly available information. Upon advice from Pay Governance, the Committee recommended to the Board of Directors and the Board of Directors approved an increase in the total compensation target for Ms. Alemany to \$7 million, approximately the median of the new proxy peer group by increasing her annual base salary to \$1,000,000 while keeping her short-term incentive compensation target at 150% and long-term incentive compensation target unchanged. 2017 target total direct compensation remains unchanged for the other NEOs.

*2017 PSUs ROATCE with Relative TSR Adjustment Factor*

For 2017, we are adding a TSR adjustment factor to our PSUs-ROATCE under which earnout may be increased or decreased by up to 20% depending on the Company's 3-year cumulative TSR results relative to the component companies of the KBW Nasdaq Bank Index for the performance period (with no increase permitted if the Company's TSR for the performance period is negative). As in our prior structure, overall payout, including the TSR adjustment factor, may range from 0% to a maximum of 150% of target; in addition, if the minimum threshold level after-tax ROATCE is not met, no PSUs-ROATCE will be earned by their terms. 2017 PSUs-ROATCE do not include a separate credit modifier.

*Enhanced Clawback Provisions*

CIT has had cancellation / recoupment provisions on equity-based awards in place since 2010.

- n **PBRsUs** Both unvested PBRsUs and PBRsUs that have vested within the prior 12 months are subject to forfeiture/recoupment in the event of: (1) a material restatement of the Company's financial statements; (2) materially inaccurate financials or other performance metrics; (3) the executive improperly or with gross negligence fails to properly identify, raise or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Company or its business activities; (4) the executive violates the Company's risk policies or standards; (5) the executive's detrimental conduct or violation of Company policies; and/or (6) the executive's breach of any applicable provisions relating to non-competition, non-solicitation, confidential information, inventions, developments or proprietary property. Unvested PBRsUs are also subject to forfeiture if the executive retires from CIT to work for a competitor.
- n **PSUs** Unvested PSUs and PSUs that have vested but not yet been delivered are subject to forfeiture, as applicable, for each of the same (1) (6) events applicable to PBRsUs listed above. Beginning with the 2015 awards, unvested PSUs are also subject to forfeiture if the grantee retires from CIT to work for a competitor. Additionally, vested PSU awards (other than 2015 PSUs-ROATCE) may be recovered for two years following the end of the three-year performance period in the event of the following: (1) the same (1) (6) events applicable to PBRsUs listed above; (2) the Company's Total Classified Exposure exceeds a pre-determined threshold (other than 2016 PSUs-ROATCE); and/or (3) a consolidated, pre-tax GAAP loss occurs for either of the two years following the end of the performance period as a result of credit losses incurred with respect to loan and lease transactions originated and booked during the performance period. Total Classified Exposure and pre-tax GAAP loss are under Non-GAAP Financial Measures and Other Definitions. Vested 2015 PSUs-ROATCE may be recovered for 12 months following vesting in the event of (1) (6) listed above.

For 2017, we are adding cancellation / recoupment provisions to cash STI awards, consistent with the provisions applicable to PBRsUs.

- n **Cash STI Awards** Cash STI paid within the prior 12 months is subject to recoupment in the event of: (1) a material restatement of the Company's financial statements; (2) materially inaccurate financials or other performance metrics; (3) the executive improperly or with gross negligence fails to properly identify, raise or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Company or its business activities; (4) the executive violates the Company's risk policies or standards; (5) the executive's detrimental conduct or violation of Company policies; and/or (6) the executive's breach of any applicable provisions relating to non-competition, non-solicitation, confidential information, inventions, developments or proprietary property.

In each case, any determination will be made in the sole discretion of the Compensation Committee or its designee based on the underlying facts and circumstances.

**2016 PROGRAM DETAIL**

**2016 Named Executive Officers**

The compensation of our 2016 named executive officers (our NEOs) is described in this CD&A. Our 2016 NEOs are:

- n Ellen Alemany: Chairwoman and CEO of CIT Group and Chairwoman, CEO and President of CIT Bank
- n E. Carol Hayles: Executive Vice President and Chief Financial Officer
- n C. Jeffrey Knittel: President, CIT Transportation
- n John Erickson: President of Consumer Banking and President, California (through December 31, 2016)
- n Denise Menelly: Executive Vice President and Head of Technology and Operations
- n John A. Thain: Former Chairman and Chief Executive Officer

**Summary of Compensation Components and 2016 Program Detail**

Our executive compensation program is comprised of three primary components:

**Primary Components of Executive Compensation**

- |  |   |
|--|---|
| <b>Base Salary</b>                                     | <ul style="list-style-type: none"> <li>n Set within a competitive range of market to attract and retain top talent</li> <li>n Reflects responsibility, expertise and experience</li> <li>n Foundation from which incentives and other benefits are determined</li> </ul>  |
| <b>Short-Term Incentive (Executive Incentive Plan)</b> | <ul style="list-style-type: none"> <li>n Motivate and reward for achieving or exceeding annual financial, strategic and operational goals that ultimately support sustained long-term profitable growth and value creation</li> <li>n Each Named Executive has a target opportunity expressed as a percentage of base salary reflective of the NEO's role (capped at 175%, with CEO at 150%)</li> <li>n Tied directly to performance in year for which reported and granted in first quarter following end of performance year</li> </ul>   |
| <b>Long-Term Incentive (Equity Awards)</b>             | <ul style="list-style-type: none"> <li>n Motivate and reward for delivering long-term sustained performance aligned with shareholder interests</li> <li>n Awards are 100% performance based and comprised of 50% PSUs-ROATCE and 50% PBRsUs</li> <li>n PSUs based on 3-year average adjusted after-tax ROATCE aligned with achieving our 10% target in 2018 and, for 2017, include a factor based on 3-year cumulative TSR relative to the component companies of the KBW Nasdaq Bank Index; PBRsUs include a performance vesting hurdle (minimum Common Equity Tier 1 for well-capitalized banks)</li> </ul> |

**Base Salary**

<ul style="list-style-type: none"> <li>n About 13% to 26% of target total direct compensation</li> <li>n Fixed</li> <li>n Cash</li> </ul>	<p>Base salary amounts are intended to provide a level of predictable income that reflects each executive's level of responsibility, expertise and experience. As discussed in last year's proxy, in February 2016, the Compensation Committee reviewed total compensation targets for the company's proxy peer group (for the CEO and CFO), as well as competitive market compensation surveys and other publicly available information and determined to increase Ms. Alemany's base salary to \$900,000 (from the \$800,000 base salary set forth in her offer letter). In November 2015, Ms. Hayles' base salary was increased to \$600,000 in recognition of her promotion to CFO. Mr. Knittel's 2016 base salary remained unchanged. Mr. Erickson's and Ms. Menelly's 2016 base salaries of \$600,000 and \$500,000, respectively, were set forth in their March 2016 offer letters.</p>
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**Short-Term Incentive**

<ul style="list-style-type: none"> <li>n About 20% to 35% of target total direct compensation</li> <li>n Performance-based</li> <li>n Cash</li> <li>n Granted after performance year in Q1 2017</li> </ul>	<p>Short-term incentive awards are determined at year end based on annual performance and paid in cash. The 2016 STI pool for all executive officers was determined under the 2015 Executive Incentive Plan, with funding based on 2% of 2016 Adjusted Pre-Tax Income*, as adjusted as described below under the heading Tax Deductibility of Compensation Expense. An individual's short-term incentive award can be earned between 0% to 150% of target based on a year-end assessment of performance against his or her annual scorecard, as described further below. Under the terms of his new employment agreement, Mr. Knittel was entitled to receive a 2016 STI award equal to no less than his 2015 short-term incentive.</p>
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**Long-Term Incentive**

<ul style="list-style-type: none"> <li>n Performance-based</li> <li>n PSUs earned based on ROATCE performance for 2016-2018 performance period</li> <li>n Earned over 3 years</li> <li>n Subject to forfeiture and/or recoupment</li> </ul>	<p>2016 LTI awards were granted 50% in PSUs based on achievement of 3-year average adjusted after-tax ROATCE and 50% in PBRsUs with a performance vesting hurdle (minimum Common Equity Tier 1 for well-capitalized banks). PSUs link executive compensation with the Company's financial performance over a three-year period while maintaining a significant portion of total compensation in equity-based awards. PSUs also complement our other compensation elements by incentivizing our NEOs to focus on growth and profitability over the three-year period, with clawbacks designed to discourage inappropriate or excessive risk. Both our Chief Risk Officer ( CRO ) and independent compensation consultant, Pay Governance, provided direct input into the design of our PSUs.</p>
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**Grant of 2016 PSU Awards**

For 2016, the Compensation Committee granted PSUs-ROATCE for the 2016-2018 performance period with the following grant date target values to our named executives: Ms. Alemany (\$4,500,000), Ms. Hayles (\$1,100,000), Mr. Knittel (\$2,350,000), Mr. Erickson (\$1,100,000), and Ms. Menelly (\$800,000).

The 2016 PSUs-ROATCE become payable only if CIT achieves the applicable performance targets for the 2016-2018 performance period. PSU share payouts may increase or decrease from the target grant, with the actual number of shares payable ranging from 0% to a maximum of 150% of target. The number of PSUs that ultimately may vest is based on 3-year average adjusted after-tax return on average tangible common equity, subject to 3-year cliff vesting. The performance measure has a minimum threshold level of performance that must be achieved to trigger any payout; if the threshold level of performance is not achieved, then no portion of the PSUs will be payable.

All or a portion of the PSUs may be canceled during the performance period, and vested PSUs may be recovered for a two-year period following the performance period, as described more fully above under Enhanced Clawback Provisions.

**2016 Performance Determinations**

*Short-Term Incentive Annual Scorecard Goals & Determinations For 2016 Named Executive Officers*

<ul style="list-style-type: none"> <li>n Capped at 150% of target for the CEO and other NEOs</li> <li>n Earned based on level of 2016 pre-tax income, as adjusted, and achievement of pre-established goals</li> </ul>	<p>In order to provide transparency to shareholders, the Compensation Committee continued to base a significant portion of the 2016 goals and objectives for each executive officer on measurable, objective goals. Goals (and any sub-goals), whether quantitative or qualitative, were assigned a weighting, and rated on a scale from Does Not Meet to Significantly Exceeds, with each rating corresponding to an associated payout level for that goal (0% to a maximum of 150%, interpolated for quantitative goals). Our NEOs' 2016 goals and objectives, along with associated weightings, were set at the beginning of the year or upon joining the Company and directly align with the Company's primary goals. After the end of the performance year (in February 2017), the Compensation Committee (and Pay Governance, its independent adviser) reviewed Ms. Alemany's performance and in turn discussed its assessment with the full Board.</p>
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For members of the Executive Management Committee ( EMC ), which includes our other NEOs, Ms. Alemany reviewed the performance of each EMC member, and her respective assessment of performance across each goal/objective category was reviewed and approved by the Compensation Committee. The CEO s and Compensation Committee s assessment of performance against those goals and objectives, as well as pay determinations, is provided below. In exercising discretion to determine the actual amount of each NEO s 2016 STI, the Compensation Committee rounded the amount of the calculated short-term incentive to the nearest \$5,000 (other than with respect to Mr. Knittel s 2016 STI, as described further below).

- 46 -

**Ms. Alemany (Chairwoman and Chief Executive Officer)**

Ms. Alemany's 2016 short-term incentive target was \$1,350,000, and her 2016 short-term incentive award was \$1,600,000, representing 119% of target. As a result, her 2016 total direct compensation was \$7,000,000, 104% of target.

Ms. Alemany's short-term incentive scorecard is shown below.

**2016 CEO Performance Assessment & Compensation Scorecard**

(Blue shading indicates achieved performance, with adjustments as noted; percentages may not total due to rounding)

Goal & Weighting	Performance (as adjusted)		Rating Scale (vs. Expectations) Multiplier					Signifi- cantly Exceeds	Weighted % Achieved
			Does Not Meet	Partially Meets	Mostly Meets	Meets	Exceeds		
	Target		0.0x	0.5x	0.75x	1.0x	1.25x	1.5x	
<b>Quantitative [50%]</b>									<b>48%</b>
A. Pre-Tax Income* [10%]	\$742	\$774 <sup>(1)</sup>	<\$538	\$592	\$645	\$742	\$807	\$861	11%
B. Total Net Revenue* [10%]	\$2,473	\$2,582 <sup>(1)</sup>	<\$1,705	\$1,705	\$2,132	\$2,473	\$2,771	\$3,070	11%
C. Operating Expenses* [10%]	\$1,291	\$1,448 <sup>(1)</sup>	>\$1,614	\$1,497	\$1,404	\$1,291	\$1,123	\$1,029	6%
D. CIT Bank Deposits [10%]	\$33,142	\$32,304	<\$25,278	\$28,087	\$30,895	\$33,142	\$35,108	\$37,917	9%
E. Provision for Credit Losses (% of AEA) [10%]	0.41%	0.36%	>1.2%	1.0%	0.8%	0.4%	n/a		10%
<b>Qualitative [50%]</b>									<b>71%</b>
<b>A. Strategic/Operational [30%]</b>									<b>44%</b>
Achieve successful separation of CIT Commercial Air [15%]							ü		23%
Develop and communicate strategic plan and execute operating plan to enhance returns [10%]							ü		15%
Institute cross-selling initiative [2.5%]							ü		4%
Achieve Community Reinvestment Act goals [2.5%]						ü			3%
<b>B. Risk/Regulatory/Compliance [10%]</b>									<b>14%</b>
							ü		5%



Maintain “tone at the top” focus on compliance and strong regulatory relations [3.3%]

Ensure no outsized losses and achieve leveraged loan portfolio risk tolerance levels [3.3%]

ü 4%

Ensure timely and responsive regulatory submissions [3.3%]

ü 5%

**C. Talent Management [10%]**

**13%**

Maintain employee engagement and retain top talent [3.3%]

ü 4%

Emphasize diversity in hiring, retention & promotion [3.3%]

ü 4%

Complete OneWest integration (culture, values, leadership appointments) [3.3%]

ü 5%