CIT GROUP INC
Form PRE 14A
March 13, 2009

CIT GROUP INC.
505 Fifth Avenue
New York, NY 10017

April 1, 2009

Dear Stockholder:

You are cordially invited to attend our Annual Meeting of Stockholders on Tuesday, May 12, 2009, 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.

The notice of meeting and proxy statement following this letter describe the business to be transacted. You are asked to elect your Board of Directors for the upcoming year, ratify the appointment of PricewaterhouseCoopers LLP as our independent auditors, approve amending our Long-Term Incentive Plan to increase the number of shares available thereunder, approve amending our Employee Stock Purchase Plan to increase the number of shares available thereunder, approve the issuance of shares of our common stock (including shares issuable upon adjustment) that may be issued upon exercise of the warrant we issued to the U.S. Department of the Treasury in connection with our participation in the Capital Purchase Program of the Troubled Assets Relief Program, and to approve the compensation for our executives, pursuant to the American Recovery and Reinvestment Act of 2009, as disclosed pursuant to the compensation disclosure rules of the U.S. Securities and Exchange Commission.

In addition to the formal items of business to be brought before the meeting, I will report on our business and 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 meeting and vote in person.

Thank you for your continued support of CIT. To be connected to CIT s website, go to www.cit.com.

Sincerely yours,

/s/ Jeffrey M. Peek

Jeffrey M. Peek
Chairman and
Chief Executive Officer

CIT GROUP INC.
505 Fifth Avenue
New York, NY 10017

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 12, 2009

TO OUR STOCKHOLDERS:

The Annual Meeting of Stockholders of CIT Group Inc. will be held at the corporate offices of CIT, One CIT Drive, Livingston, New Jersey 07039, on Tuesday, May 12, 2009 at 11:00 a.m., Eastern Daylight Saving Time, for the following purposes:

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

2. to ratify the appointment of PricewaterhouseCoopers LLP as CIT s independent auditors for 2009;

3. to approve amending the Long-Term Incentive Plan to increase the number of shares available thereunder;

4. to approve amending the Employee Stock Purchase Plan to increase the number of shares available thereunder;

5. to approve the issuance of shares of our common stock (including shares issuable upon adjustment) that may be issued upon exercise of the warrant we issued to the U.S. Department of the Treasury in connection with our participation in the Capital Purchase Program of the Troubled Assets Relief Program; and

6. to approve the compensation for CIT s executives, pursuant to the American Recovery and Reinvestment Act of 2009, as disclosed pursuant to the compensation disclosure rules of the U.S. Securities and Exchange Commission.

CIT s Board of Directors has fixed the close of business on March 16, 2009 as the record date for determining holders of CIT common stock entitled to notice of and to vote at the meeting. Internet and telephone voting are available until 11:59 p.m. Eastern Daylight Saving Time the day prior to the meeting.

You are cordially invited to attend the meeting. Whether or not you are personally able to attend the meeting, please vote your proxy as soon as possible. Voting instructions to vote online, by telephone or by mail are in the Notice of Annual Meeting mailed to you on April 1, 2009 or in the Question and Answer section of the proxy materials that follow this letter. **In each case, you will need your personal Control Number, which is in the Notice of Annual Meeting mailed to you on April 1st.** There is no charge to you for requesting printed materials. Stockholders who request printed materials for 2009 will continue to receive printed materials in future years until such time as they may opt-out of paper delivery. However, to facilitate timely delivery of the proxy materials for the 2009 Annual Meeting, please make your request on or before April 28, 2009.

Thank you for your continued support of CIT. To be connected to CIT s website, go to www.cit.com.

By Order of the Board of Directors,

/s/ Robert J. Ingato

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

Livingston, New Jersey
April 1, 2009

YOUR VOTE IS IMPORTANT.
PLEASE VOTE YOUR PROXY.

CIT GROUP INC.

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

As permitted by rules recently adopted by the U.S. Securities and Exchange Commission (**SEC**), we have elected to provide access to this Proxy Statement and our 2008 Annual Report to you electronically via the Internet at www.proxyvote.com. If you are a holder of record, we are also mailing this Proxy Statement and our 2008 Annual Report to you.

If you received a Notice of Annual Meeting (**Notice**) by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you how to access and review all of the important information contained in the Proxy Statement and 2008 Annual Report. The Notice also instructs you how to submit your vote over the Internet or by telephone. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice or as set forth below under Vote by Mail.

Who is soliciting my vote?

The Board of Directors of CIT Group Inc. is soliciting your vote for our 2009 Annual Meeting of Stockholders.

What will I vote on?

You are being asked to vote on:

- The election of 8 directors for a term of one year or until the next annual meeting of stockholders;
- The ratification of the selection of our independent auditors for 2009;
- An amendment to our Long-Term Incentive Plan (**LTIP**) to increase the number of shares available under our LTIP;
- An amendment to our Employee Stock Purchase Plan (**ESPP**) to increase the number of shares available under our ESPP;
- Our issuance of shares of our common stock (including shares issuable upon adjustment) that may be issued upon exercise of the warrant we issued to the U.S. Department of the Treasury in connection with our participation in the Capital Purchase Program of the Troubled Assets Relief Program; and
- The compensation for CIT s executives, pursuant to the American Recovery and Reinvestment Act of 2009, as disclosed pursuant to the compensation disclosure rules of the SEC.

What is the record date for the Annual Meeting?

The record date is the close of business on March 16, 2009. 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 388,979,014 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 that may be cast, or 194,489,507 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 meeting. That will help us know as soon as possible that enough votes will be present to hold the meeting. In determining whether a quorum exists, we will include in the count (i) shares represented by proxies that reflect abstentions and (ii) shares referred to as **broker non-votes** (*i.e.*, shares held by brokers or nominees for which instructions have not been received from the beneficial owners, or persons entitled to vote, and that are not voted by that broker or nominee).

How do I vote?

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

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 to you the proxy materials, including the enclosed proxy card. You may vote by mail, by telephone, on the Internet, or by attending the 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 see 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 a Notice, you can vote by mail by requesting paper copies of the proxy and materials by calling 1-800-579-1693, or going to www.proxyvote.com or by sending an email to sendmaterial@proxyvote.com and requesting a proxy card. If you request a proxy card by e-mail, please send a blank e-mail with your 12-digit Control Number in the subject line. Your Control Number is in the Notice of Annual Meeting mailed to you on April 1, 2009. Upon receipt of your request, the proxy card and hard 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 hard copies, in future years, you will continue to receive hard copies of the proxy card and other materials automatically until such time as you may opt-out of receiving hard copies. If you wish to vote by mail, please make your request for paper copies of the proxy and materials on or before April 28, 2009.

Vote by Telephone

You can vote by calling 1-800-690-6903. You will need your 12-digit Control Number, which is in the Notice of Annual Meeting mailed to you on April 1, 2009.

Vote on the Internet

You can also choose to vote on the Internet by going to www.proxyvote.com. You will need your 12-digit Control

Number, which is in the Notice of Annual Meeting mailed to you on April 1, 2009.

Vote at the Annual Meeting

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 and produce valid 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 this proxy to the Annual Meeting, present it to the Inspector of Election, and produce valid identification.

How many votes will be required to elect a director or to adopt the proposals?

- To elect directors to the Board, a majority of the votes cast at the Annual Meeting is required. A nominee for director shall be elected to the Board of Directors if the votes cast for such nominee s election exceed the votes cast against such nominee s election.

- To ratify the selection of our independent auditors, a majority of the shares represented at the Annual Meeting and entitled to vote is required.
- To approve the increase in the number of shares available under our Long-Term Incentive Plan and our Employee Stock Purchase Plan, a majority of the shares represented at the Annual Meeting and entitled to vote is required.
- To approve the issuance of shares of our common stock that may be issued upon exercise of the warrant we issued to the U.S. Department of the Treasury in connection with our participation in the Capital Purchase Program of the Troubled Assets Relief Program, a majority of the votes cast at the Annual Meeting is required; provided that the total vote cast on the proposal represents a majority of the shares outstanding and entitled to vote.
- To approve the compensation for our executives, pursuant to the American Recovery and Reinvestment Act of 2009, as disclosed pursuant to the compensation disclosure rules of the U.S. Securities and Exchange Commission, a majority of the shares represented at the Annual Meeting and entitled to vote is required.

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

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 our Bylaws, and such stockholder has not withdrawn such nomination by the tenth day before we mail our Notice of Annual Meeting, then a director can be elected by a plurality of the votes cast, meaning that the eight nominees who receive the most votes for will be elected, even if it is less than a majority of the total shares outstanding, and stockholders will not be permitted to vote against a nominee. However, under our Bylaws and Corporate Governance Guidelines, if the election for directors is uncontested, meaning that the only nominees are those recommended by the Board, then 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 Chairman of the Board. If an incumbent director fails to receive the required vote for re-election, the Nominating and Governance Committee will promptly consider the resignation submitted by such director and will recommend to the Board of Directors whether to accept such resignation. The Board will act on the recommendation of the Nominating and Governance Committee no later than 90 days following the date of the Annual Meeting. See CIT s Corporate Governance Majority Voting for Directors. No stockholder has nominated any candidates for our Board, and therefore, the election is uncontested.

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.

Written revocations of a prior vote must be sent by mail to the Secretary of CIT at our address shown above, 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.

What if I 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 eight nominees named in Proposal 1, Election of Directors and for the other five proposals.

What if I vote to abstain?

In the election of directors, you can vote *for* or *against* the eight directors named on the proxy card, or you may abstain from voting for one or more of the directors. *Abstentions* will not affect the vote on the election of directors.

In connection with all other proposals, you may vote *for* or *against* each proposal, or you may *abstain* from voting on those proposals. Abstentions on all other proposals (other than the proposal to elect directors) will have the same effect as a vote *against* the proposals.

What happens if I do not vote?

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

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 election of directors, and the ratification of the selection of our independent auditor in your broker s discretion. However, your broker cannot vote on the increase in the number of shares available under our Long-Term Incentive Plan, the increase in the number of shares available under our Employee Stock Purchase Plan, our issuance of shares upon exercise of the warrant issued to the U.S. Department of the Treasury in connection with participation in the Capital Purchase Program of the Troubled Assets Relief Program, or the compensation for our executives as disclosed pursuant to the compensation disclosure rules of the SEC.

If your broker votes your shares on some, but not all, of the proposals, the votes will be broker non-votes for any proposal on which they are not voted. Broker non-votes will have no effect on the election of directors, the ratification of the selection of the independent auditor, or on the other proposals. Brokers who are members of the National Association of Securities Dealers, Inc. 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 may not, under NYSE rules, vote on matters that are not routine if the beneficial owner has not provided the broker with voting instructions.

Will my vote be confidential?

Yes. We have a policy of confidentiality in the voting of stockholder proxies. 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. The deadline for any stockholder to notify us of any proposals was February 5, 2009, and we received only one notification of a stockholder proposal, which was subsequently withdrawn.

What was the deadline for stockholders to notify us of proposals for the 2009 Annual Meeting of Stockholders?

The deadline for submitting stockholder proposals for the 2009 Annual Meeting for inclusion in the Proxy Statement was November 26, 2008. The deadline for submitting stockholder proposals for the 2009 Annual Meeting for inclusion on the agenda was February 5, 2009.

What is the deadline for stockholders to notify us of proposals for the 2010 Annual Meeting of Stockholders?

The deadline for submitting stockholder proposals for the 2010 Annual Meeting for inclusion in the Proxy Statement is December 1, 2009. The deadline for submitting stockholder proposals for the 2010 Annual Meeting for inclusion on the agenda is February 11, 2010.

Will a representative of the Company 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 Board of Directors has approved the appointment of PricewaterhouseCoopers LLP as our independent auditors for 2009, subject to ratification by stockholders.

Will the directors attend the Annual Meeting?

Our Corporate Governance Guidelines provide that directors are expected to attend the Annual Meeting. In addition, a Board meeting is scheduled immediately following the Annual Meeting. At the 2008 Annual Meeting of Stockholders, all 8 nominees for director who were on the Board at that time were present.

How can I attend the Annual Meeting?

Only stockholders as of the record date, March 16, 2009 (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 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 then need to show photo identification at the stockholders admittance desk to gain admittance to the Annual Meeting.

If you do not inform us in advance that you plan to attend the Annual Meeting, you will need to bring with you:

- Photo identification, and
- If you hold your shares in street name, proof of ownership of your shares as of the record date, such as a letter or account statement from your broker or bank.

What happens if the Annual Meeting is postponed or adjourned?

Your proxy will still be 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?

Yes. According to public filings, as of December 31, 2008, there were three holders that beneficially owned more than 5% of our common stock: FMR LLC (1), Brandes Investment Partners, LP, and Franklin Mutual Advisors, LLC.

(1) The beneficial ownership position reported by FMR LLC in its Schedule 13G filed February 17, 2009 includes 5,758,011 common shares relating to its right to convert its 1,456,765 shares of CIT Group 8.75% Non-Cumulative Perpetual Convertible Preferred Stock, Series C to common shares at an exchange ratio of 3.9526 shares of common for each share of Convertible Preferred Stock.

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

A list of stockholders as of the record date will be available at our offices at 505 Fifth Avenue, New York, New York 10017 from May 1, 2009 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.

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. We have retained D.F. King & Co., Inc. to assist us in this proxy solicitation, and we anticipate that their fees will be approximately $15,000. In addition, proxies may be solicited on our behalf by our directors, officers or employees by telephone, electronic or facsimile transmission or in person. 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.

PROPOSAL 1

ELECTION OF DIRECTORS

Our full Board of Directors met 17 times during 2008. The Audit Committee met 9 times, the Compensation Committee met 12 times, and the Nominating and Governance Committee met 4 times during 2008. All of the nominees listed below attended at least 75% of the aggregate of the meetings of the Board and of any committee on which he or she served (or, for those directors who first joined the Board in 2008, held during the periods that he or she served). In addition, in accordance with our Corporate Governance Guidelines, all 8 of the nominees for director who were on the Board at that time attended our 2008 Annual Meeting.

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

The following individuals are the eight nominees for election as directors at the Annual Meeting. The information below includes each nominee s age as of February 15, 2009 and business experience during the past five years, and was provided to CIT by the nominees. CIT knows of no family relationship among the nominees. Certain directors may also be directors or trustees of privately held businesses or not-for-profit entities that are not referred to below.

Nominees

Name	Age	Principal Occupation
Jeffrey M. Peek	61	Chairman of the Board and Chief Executive Officer of CIT
William M. Freeman	56	Chairman of the Board of Arbinet-thexchange, Inc.
Susan M. Lyne	58	Chief Executive Officer of Gilt Groupe Inc.
Marianne Miller Parrs	64	Retired Executive Vice President & Chief Financial Officer of International Paper Company
John R. Ryan	63	President and Chief Executive Officer of the Center for Creative Leadership
Seymour Sternberg	65	Chairman of the Board of New York Life Insurance Company
Peter J. Tobin	64	Retired Special Assistant to the President of St. John s University
Lois M. Van Deusen	69	Managing Member of LVD Consulting, LLC and Of Counsel to McCarter & English, LLP

Jeffrey M. Peek has served as our Chief Executive Officer since July 2004 and as Chairman of the Board of Directors of CIT since January 1, 2005. Mr. Peek joined CIT as President and Chief Operating Officer and as a director in September 2003. Previously, Mr. Peek was Vice Chairman of Credit Suisse First Boston LLC and

was responsible for the firm s Financial Services Division, including Credit Suisse Asset Management, Pershing and Private Client Services. He was on the Group Executive Board of Credit Suisse Group as well as a member of CSFB s Executive Board and Operating Committee. Prior to joining CSFB in 2002, Mr. Peek was with Merrill Lynch since 1983, where he rose to the level of Executive Vice President of Merrill Lynch & Co., Inc. and was President of Merrill Lynch Investment Managers. He also served on the Executive Management Committee of Merrill Lynch & Co. Mr. Peek is Chairman of the Advisory Board, Bendheim Financial Center, Princeton University; Advisor to the Executive Board of Diamond Castle Holdings; Member of the New York Public Library President s Council, Member of the Board of Directors and Chairman s Council of the Metropolitan Museum of Art; and a member of the Investment Committee for St. Matthews Church, Bedford, NY.

William M. Freeman has served as a director of CIT since July 2003. Mr. Freeman has served as Chairman of the Board of Arbinet-thexchange, Inc. since September 2008. Previously, Mr. Freeman served as President and Chief Executive Officer and Director of Arbinet-thexchange, Inc. since November 2007. Prior to joining Arbinet-thexchange, Mr. Freeman was elected to the Board of Motient Corp., now Terrestar Corp., 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 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 is a founder and co-owner of Synthesis Security LLC. Mr. Freeman serves on the Board of Trustees of Drew University. Mr. Freeman is also a director of Value Added Holdings, Inc., a privately held communications company.

Susan M. Lyne has served as a director of CIT since October 2006. Ms. Lyne has served as Chief Executive Officer of Gilt Groupe Inc. since 2008. Previously, Ms. Lyne served as President, Chief Executive Officer and director of Martha Stewart Living Omnimedia, Inc. since November 2004. Prior to joining Martha Stewart Living, Ms. Lyne served in various positions at Walt Disney Company, including President, ABC Entertainment from 2002 to 2004, Executive Vice President, Movies & Miniseries, ABC Entertainment from 1998 to 2002, and Executive Vice President, Acquisition, Development & New Business, Walt Disney Motion Picture Group, 1996 to 1998. Prior to Walt Disney Company, she worked for News Corporation Ltd. and K111 for approximately nine years as Founder, Editor in Chief & Publication Director, *Premier* Magazine. Ms. Lyne is a Trustee for The Posse Foundation and The Public Theatre.

Marianne Miller Parrs has served as a director of CIT since January 2003. Ms. Parrs retired at the end of 2007 from the International Paper Company where she had served as Executive Vice President and Chief Financial Officer since November 2005 and as interim Chief Financial Officer since May 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. Previously, she served in a number of other executive and management positions at International Paper since 1974, and was a security analyst at a number of firms prior to joining International Paper Company. Ms. Parrs serves on the Board of Rise Foundation in Memphis, Tennessee and the Board of the Leadership Academy, Memphis.

Vice Admiral John R. Ryan has served as a director of CIT since July 2003. Mr. Ryan has been President and Chief Executive Officer of the Center for Creative Leadership in Greensboro, North Carolina since June 2007. Previously, Mr. Ryan served as Chancellor of the State University of New York since June 2005. 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 is also a director of Cablevision Systems Corp., the Center for Creative Leadership and the U.S. Naval Academy Foundation.

Seymour Sternberg has served as a director of CIT since December 2005. Mr. Sternberg has served as Chairman of the Board of New York Life Insurance Company since April 1997. Mr. Sternberg joined New York Life as a Senior

Vice President in 1989, and held positions of increasing responsibility, including Executive Vice President, Vice Chairman, and President, Chief Operating Officer and Chief Executive Officer. Mr. Sternberg serves on the Board of Express Scripts, Inc., a pharmacy benefits manager. He is a member of the Council on Foreign Relations and the Business Roundtable, serving on its Task Forces on International Trade and Investment, Security and Fiscal Policy, and is a member of the boards of the U.S. Chamber of Commerce, New York-Presbyterian Hospital, Northeastern University, the Hackley School, Big Brothers/Big Sisters, New York City Partnership, the New York City Leadership Academy, CUNY Business Leadership Council, the Kennedy Center Corporate Fund and the Lincoln Center Consolidated Corporate Fund, Leadership Committee.

Peter J. Tobin has served as a director of CIT since July 1, 2002, and previously from May 1984 to June 1, 2001. Mr. Tobin retired from St. John s University in May 2005, after serving as Special Assistant in Corporate Relations and Development to the President of St. John s University since September 2003, and previously as Dean of the Peter J. Tobin College of Business at St. John s University since August 1998. From March 1996 to December 1997, Mr. Tobin was Chief Financial Officer of The Chase Manhattan Corporation. From January 1992 to March 1996, Mr. Tobin served as Chief Financial Officer of Chemical Banking Corporation, a predecessor of The Chase Manhattan Corporation, and prior to that he served in a number of executive positions at Manufacturers Hanover Corporation, a predecessor of Chemical Banking Corporation. He is also a director of AXA Financial, AllianceBernstein Corporation, a subsidiary of AXA Financial that manages mutual funds, H.W. Wilson, a publishing company, and an officer and director of Rock Valley Tool.

Lois M. Van Deusen has served as a director of CIT since January 2003. Ms. Van Deusen is the Managing Member and 100% owner of LVD Consulting, LLC, which was formed in January 2008, and Of Counsel and the former Managing Partner of McCarter & English, LLP, a regional law firm based in Newark, New Jersey. Ms. Van Deusen joined McCarter & English in 1978, was named a partner in 1986 and retired from the partnership in 2007. Ms. Van Deusen is Secretary of John A. Van Deusen & Associates, Inc. Additionally, Ms. Van Deusen sits on the Boards of Habitat for Humanity Newark, Inc., Legal Services of New Jersey, Inc., New Jersey Institute for Social Justice, Inc., and Newark Community Foundation, Inc.

The Board of Directors recommends a vote For each of the nominees for director.

A majority of the votes cast at the Annual Meeting is required to elect directors to the Board. A nominee for director shall be elected to the Board of Directors if the votes cast for such nominee s election exceed the votes cast against such nominee s election.

Retiring Directors

At the time of our Annual Meeting, Gary C. Butler, who has served as a director since February 2004, James S. McDonald, who has served as director since October 2007, and Timothy M. Ring, who has served as director since January 2005, are retiring and will not stand for reelection due to the increased demands related to CIT becoming a bank holding company in December 2008 and time constraints related to each of their other professional commitments and responsibilities. We would like to thank Messrs. Butler, McDonald and Ring for their dedicated service to CIT.

CIT S CORPORATE GOVERNANCE

Independence of Directors

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 the director has no 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. The Board considers the following criteria, among others, in determining whether a director qualifies as independent:

- The director cannot have been an employee, or have an immediate family member who was an executive officer, of CIT during the preceding three years;
- The director cannot receive, or have an immediate family member who has received, more than $120,000 per year in direct compensation from CIT, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent on continued service) during the preceding three years;
- The director cannot be affiliated with or employed by, or have an immediate family member who was affiliated with or employed in a professional capacity by, a present or former internal or external auditor of CIT during the preceding three years;
- The director cannot be employed, or have an immediate family member who was employed, as an executive officer of another company if any of CIT s executives has served on that company s compensation committee during the preceding three years; and
- The director cannot be an executive officer or an employee, or have an immediate family member who was an executive officer, of a company that made payments to or received payments from CIT for property or services in an amount per year in excess of the greater of $1 million or 2% of such company s consolidated gross revenues during the preceding three years.

Pursuant to CIT s written Related Person Transactions Policy and the Charter of CIT s Nominating and Governance Committee, the Nominating and Governance Committee (or its Chair) reviews and approves all transactions between CIT and any related person that are required to be disclosed pursuant to Item 404 of Regulation S-K of the Securities and Exchange Commission (the **Commission**). As required by our Related Person Transactions Policy, we survey directors and executive officers on an annual basis, and require new directors to complete a questionnaire before they are elected, to determine whether they have entered into any related person transactions. In addition, directors and executive officers are required to advise us prior to entering into new transactions between the annual surveys. For purposes of determining the impact of payments to or from CIT for property or services on director independence, we do not include payments made in the ordinary course of business, such as for utilities, or payments for property or services awarded as a result of a competitive bid. In addition to the above criteria, the Nominating and Governance Committee reviews all of CIT s charitable contributions in any calendar year that exceed the lesser of $25,000 or 2% of the charity s annual consolidated gross revenues to an organization with which a director is affiliated to consider the contribution s potential impact on the applicable director s independence.

Except for Mr. Peek, our CEO, the Board has determined that all of the directors are independent under the criteria established by the New York Stock Exchange and under CIT s Corporate Governance Guidelines. In making this determination, the Board considered that New York Life Insurance Company, whose Chairman is Mr. Sternberg, provides services to CIT. The Board determined that Mr. Sternberg is independent, notwithstanding the services provided to CIT by his principal employer, because the services are arms-length transactions provided in the ordinary course of business, the fees payable are less than 2% of the consolidated gross revenues for each of the last three years for each of CIT and the service provider, and the contract was awarded pursuant to a competitive bid process.

The independent directors meet in executive session during each regularly scheduled meeting of the Board and many of the special meetings of the Board. The Board elected Vice Admiral John R. Ryan as Lead Director, and, in such capacity, he presides at executive sessions of the independent directors, reviews and provides input with respect to the agenda for Board meetings and coordinates communications between the Board and the CEO. A current copy of the Corporate Governance Guidelines is available on our website at http://www.cit.com/main/about-cit/corporate-governance/board-committees.htm, or a hard copy is available by written request to our General Counsel and Secretary, One CIT Drive, Livingston, New Jersey 07039. The Corporate Governance Guidelines were adopted by the Board on January 21, 2004 and last amended on March 10, 2009.

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 Secretary of CIT receives a notice that a stockholder has nominated a person for election to the Board of Directors 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, 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 Chairman of the Board. If an incumbent director fails to receive the required vote for re-election, the Nominating and Governance Committee will promptly consider the resignation submitted by such director and will recommend to the full Board whether to accept such resignation. The Nominating and Governance Committee will consider all factors that it deems relevant in making its recommendation, including the 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.

The Board will act on the recommendation of the Nominating and Governance Committee no later than 90 days following the date of the stockholders meeting at which the election occurred. The Board will consider the factors considered by the Nominating and 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 Form 8-K filed with the Commission.

To the extent that one or more directors resignations are accepted by the Board, the Nominating and Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

Board Committees

During 2008, our Board maintained an Audit Committee, a Compensation Committee, and a Nominating and Governance Committee. On March 10, 2009, our Board created a Risk Management Committee. The Compensation Committee and the Nominating and Governance Committee are each comprised of three directors, the Audit Committee is comprised of four directors and the Risk Management Committee is comprised of two directors. Each director serving on any of the Committees is independent as defined by the NYSE and applicable law. Current copies of the written charter of each committee are available on our website at http://www.cit.com/main/about-cit/corporate-governance/board-committees.htm.

Audit Committee

The Audit Committee conducts its duties consistent with a written charter. Its duties include:

- Monitoring the quality and integrity of our financial reporting process, financial statements and systems of internal controls regarding finance and accounting, including reviewing our annual report on Form 10-K and quarterly reports on Form 10-Q prior to filing with the SEC;

- Reviewing our corporate compliance policies and monitoring compliance with our Code of Business Conduct and other compliance policies with legal and regulatory requirements, including reviewing any significant case of employee conflict of interest or misconduct;
- Reviewing the budget, plan and activities of the Internal Audit Department and the appointment, performance and replacement of the Director of Internal Audit;
- Monitoring the qualifications, independence and performance of the independent auditors, including approving in advance all audit and non-audit engagements;
- Retaining and determining the compensation of the independent auditors;
- Monitoring our financial, litigation and compliance risks; and
- Reporting to our Board as appropriate.

Marianne Miller Parrs (Chairperson), Peter J. Tobin, Seymour Sternberg, and James S. McDonald serve as members of the Audit Committee. However, Mr. McDonald will not stand for reelection to the Board at CIT s 2009 Annual Meeting. The charter for our Audit Committee intends to comply with NYSE requirements and applicable law. The Board adopted the charter on October 22, 2003 and last amended it on July 17, 2006. The Board has determined that Mr. Tobin and Ms. Parrs each meets the standard of **Audit Committee Financial Expert** , as defined by the rules of the Securities and Exchange Commission, 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 policies for our executive officers. It conducts its duties consistent with a written charter, assists our Board in fulfilling its responsibilities for overseeing the compensation of our executive officers and is responsible for the following:

- Reviewing and approving corporate goals and objectives relevant to CEO compensation and evaluating the CEO s performance in light of such goals and objectives;
- Recommending to the Board the compensation and benefits for the CEO considering (at a minimum) CIT s performance, relative shareholder return and the value of compensation granted to CEO s at comparable or peer companies.;
- Setting compensation for our executive officers other than the CEO, after consideration of the CEO s recommendations;
- In accordance with the American Recovery and Reinvestment Act of 2009 (ARRA), meeting at least semi-annually to discuss and evaluate employee compensation plans in light of an assessment of any risk posed to CIT, as a participant in the Capital Purchase Program under the Emergency Economic Stabilization Act (EESA), to ensure that such plans do not encourage employees to take unnecessary and excessive risks; and, to the extent required by EESA, reviewing, at least annually Senior Executive Officer (as defined in EESA) compensation, to ensure SEO compensation does not encourage such officers to take unnecessary and excessive risks.
- Maintaining compensation practices that are consistent with applicable market standards and compliant with applicable regulatory requirements;
- Recommending to the Board the approval, amendment and termination of any of our plans that permit awards of our common stock;

- Approving significant amendments to the retirement plans, severance plans, deferred compensation plans or any other compensation or benefit plans in which our executive officers participate;
- Overseeing our policies on structuring compensation programs for executive officers to preserve tax deductibility and to establish and certify, as and when required, the attainment of performance goals pursuant to the U.S. tax code;
- Discussing and reviewing with management the disclosure regarding compensation and benefit matters and the Compensation Discussion and Analysis (**CD&A**) in the annual proxy statement, and recommending to the full Board whether the CD&A should be included in the annual proxy statement; and
- Producing the Compensation Committee Report for inclusion in our annual proxy statement or in our Annual Report filed on Form 10-K, in accordance with applicable regulations.

As discussed below, director compensation is recommended by the Nominating and Governance Committee and approved by the Board.

Our CEO recommends to the Compensation Committee the compensation for all of our other executive officers. The Compensation Committee reviews and considers the CEO s recommendations in its approval of our executive officers annual salary, annual cash incentive awards and equity awards. The Compensation Committee has delegated to the CEO, within limits approved annually by the Compensation Committee, the responsibility of allocating non-equity and equity incentive awards to plan participants other than our executive officers.

A written charter governs the compensation decisions and operations of the Compensation Committee. The Board approved and adopted the charter on January 21, 2004 and last amended it on March 10, 2009. The Compensation Committee periodically reviews its charter and conducts self-assessments to determine if it functions effectively.

The Compensation Committee has engaged the independent, external consulting firm Towers Perrin to advise the Compensation Committee on all matters relating to the compensation of our executive officers. The Compensation Committee directly retained Towers Perrin. Towers Perrin provides various advisory services to the Compensation Committee in the course of fulfilling the Compensation Committee s responsibilities under its charter, which include determination of executive and director compensation. No specific instructions or directions were provided to Towers Perrin regarding the performance of their duties. The Compensation Committee has authorized Towers Perrin to interact with CIT s management to obtain or confirm information, as needed, on behalf of the Compensation Committee. The Compensation Committee allows Towers Perrin to provide additional services for the Company, subject to the Compensation Committee s prior approval pursuant to its charter.

In addition, during 2008, CIT engaged an external consulting firm, Watson Wyatt, to support management in generating data and analysis for its presentations and recommendations to the Compensation Committee. Watson Wyatt also provides management with various advisory services on all compensation matters at CIT, at management s direction, including on matters relating to the compensation of our executive officers. Watson Wyatt is engaged to provide its independent view of compensation design and practices and does not receive specific instructions or directions regarding the recommendations and other information it provides concerning executive officer pay. CIT does not believe Watson Wyatt s relationship with management interferes with Watson Wyatt s ability to provide independent perspective or advice.

William M. Freeman (Chairperson), Susan M. Lyne, and Timothy M. Ring serve as members of the Compensation Committee. However, Mr. Ring will not stand for reelection to the Board at CIT s 2009 Annual Meeting.

Nominating and Governance Committee

The Nominating and Governance Committee conducts its duties consistent with a written charter, which duties include:

- Identifying and recommending qualified candidates to fill positions on the Board and its committees;
- 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 Committees, as appropriate, including advising the Board as to whether any director has a conflict of interest;
- Overseeing the evaluation of the Board and its committees and members, including the self- evaluation of the Nominating and Governance Committee;
- Overseeing corporate governance, including developing and recommending corporate governance guidelines and policies;
- Overseeing the succession planning process for CIT s chief executive officer, executive officers and senior managers holding significant positions within CIT; and
- Reviewing disclosures in our annual proxy statement, including any shareholder proposals and any statements in opposition.

Lois M. Van Deusen (Chairperson), John R. Ryan and Gary C. Butler serve as members of the Nominating and Governance Committee. However, Mr. Butler will not stand for reelection to the Board at CIT s 2009 Annual Meeting. The Board adopted the Nominating and Governance Committee s charter on January 21, 2004 and last amended it on March 10, 2009.

The Nominating and Governance Committee will consider and evaluate 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 Nominating and 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 preceding the applicable annual stockholders meeting.

Our Corporate Governance Guidelines set forth the following general criteria for nomination to our Board:

- Directors should possess senior level management and decision-making experience;
- Directors should have a reputation for integrity and abiding by exemplary standards of business and professional conduct;
- Directors should have the commitment and ability to devote the time and attention necessary to fulfill their duties and responsibilities to CIT and its stockholders;
- Directors should be highly accomplished in their respective fields, with leadership experience in corporations or other complex organizations, including government, educational, and military institutions;
- In addition to satisfying the independence criteria described in our Corporate Governance Guidelines,

non-management directors should be able to represent all stockholders of CIT;
- Directors who are expected to serve on a committee of the Board shall satisfy the NYSE and legal criteria for members of the applicable committee;
- Directors should have the ability to exercise sound business judgment and to provide advice and guidance to our CEO with candor; and
- The Board s assessment of a director candidate s qualifications includes consideration of diversity, age, skills, and experience in the context of the needs of the Board.

The foregoing general criteria apply equally to the evaluation of all potential, non-management director nominees, including those individuals recommended by stockholders.

Risk Management Committee

The Risk Management Committee oversees CIT s risk management functions and processes. It conducts its duties consistent with a written charter, assists our Board in fulfilling its responsibilities for overseeing the major risks inherent to CIT s business, including credit risk, market risk, reputation risk, business continuity risk and operational risk and is responsible for the following:

- Overseeing our risk management functions and processes;
- 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;
- Reviewing and ensuring the adequacy of CIT s information security policies and technology risk management program;
- Reviewing CIT s corporate insurance program at least annually; and
- Coordinating oversight of risk management with the Audit Committee.

A written charter governs the decisions and recommendations of the Risk Management Committee. The Board approved and adopted the charter on March 10, 2009. The Risk Management Committee is to periodically review its charter and conduct self-assessments to determine if it functions effectively.

Peter J. Tobin (Chairperson), and John R. Ryan serve as members of the Risk Management Committee.

Communicating with Directors

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. The foregoing communications may be submitted in writing to the Lead Director, the Audit Committee, or the non-management directors as a group by writing to them care of CIT s General Counsel and Secretary, One CIT Drive, Livingston, New Jersey 07039, or by email to 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 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 http://www.cit.com/main/about-cit/corporate-governance/board-committees.htm. 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 Director of Internal Audit, General Counsel, Head of Human Resources 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.
- All other concerns will be referred to either CIT s Lead Director or to one or more non-management members of the Board.

On a periodic basis, the Board, or the appropriate committee of the Board, is provided with a summary and/or copies of the applicable communications described above.

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 the rules of the Commission. 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.

EXECUTIVE OFFICERS

The following table sets forth information as of February 15, 2009 regarding our executive officers, other than Mr. Peek, our CEO, whose information is provided above under Nominees . The executive officers were appointed by and hold office at the discretion of the Board. No family relationship exists among CIT s executive officers or with any director. 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/main/about-cit/corporate-governance/board-committees.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
John F. Daly	60	President, Trade Finance
James J. Duffy	54	Executive Vice President Human Resources
Nancy J. Foster	47	Executive Vice President and Chief Risk Officer
Kelley J. Gipson	47	Executive Vice President Brand Marketing and Communications
Robert J. Ingato	48	Executive Vice President, General Counsel and Secretary
C. Jeffrey Knittel	50	President, Transportation Finance
Joseph M. Leone	55	Vice Chairman and Chief Financial Officer
Lawrence A. Marsiello	58	Retired Vice Chairman and Chief Lending Officer

Alexander T. Mason	57	President and Chief Operating Officer
Kristine A. Snow	49	President, Vendor Finance

John F. Daly has served as President of Trade Finance since 1999. Previously, Mr. Daly was Executive Vice President and Senior Credit Officer of CIT Trade Finance since 1996 and served in various other senior management positions since joining CIT in 1987. Prior to joining CIT, Mr. Daly was employed by Manufacturers Hanover Commercial Corporation since 1973.

James J. Duffy has served as Executive Vice President Human Resources since April 2006. Previously, Mr. Duffy was Senior Vice President of Human Resources for Citigroup s Global Consumer Group. Before working at Citigroup, he held senior human resources positions at other major banking and manufacturing companies, including AlliedSignal, Ingersoll-Rand, Banker s Trust and General Electric.

Nancy J. Foster has served as Executive Vice President and Chief Risk Officer since March 1, 2008. Previously Ms. Foster, was Chief Credit Officer since January 2007. Prior to joining CIT, she was Group Senior Vice President at LaSalle Bank Corporation, a wholly owned subsidiary of ABN AMRO, NV. During her tenure at LaSalle, she held several roles in Middle Market Lending and Credit Risk Management.

Kelley J. Gipson has served as Executive Vice President Brand Marketing and Communications since September 2004. Previously, Ms. Gipson served as Senior Vice President, Director of Marketing and Communications since June 2000. Prior to joining CIT, she was Executive Vice President and Group Account Director with DraftWorldwide, a predecessor of Draftcb, and has also held a number of management positions within the advertising sector.

Robert J. Ingato has served as Executive Vice President and General Counsel since June 2001, and as Secretary since August 14, 2002. Previously, Mr. Ingato served as Executive Vice President and Deputy General Counsel since November 1999. Mr. Ingato also served as Executive Vice President of Newcourt Credit Group Inc., which was acquired by CIT, since January 1998, as Executive Vice President and General Counsel of AT&T Capital Corporation, a predecessor of Newcourt, since 1996, and in a number of other legal positions with AT&T Capital since 1988.

C. Jeffrey Knittel has served as President of Transportation Finance since April 2007 and CIT Aerospace since 1998. Previously, Mr. Knittel served as Executive Vice President of CIT Group/Capital Finance division since 1992, and in several other senior management positions within CIT Group/Capital Finance division since 1986. Mr. Knittel also served in various senior management positions with Manufacturers Hanover Leasing Corporation since 1982 and Cessna Finance since 1980.

Joseph M. Leone has served as Vice Chairman and Chief Financial Officer since September 2003. Previously, Mr. Leone served as Executive Vice President and Chief Financial Officer since July 1995. Mr. Leone served as Executive Vice President of Sales Financing, a business unit of CIT, from June 1991, Senior Vice President and Controller since March 1986, and in a number of other executive and management positions with Manufacturers Hanover Corporation since May 1983. Mr. Leone is a certified public accountant.

Lawrence A. Marsiello retired effective as of February 29, 2008. Previously Mr. Marsiello served as Vice Chairman and Chief Lending Officer since September 2003 and as Group President of CIT s Commercial Finance Group since August 1999. Mr. Marsiello served as President of the Commercial Services business unit, the factoring unit of CIT, since August 1990, and in a number of other executive and management positions with CIT and

Manufacturers Hanover Corporation since 1974.

Alexander T. Mason has served as President and Chief Operating Officer since June 2008. Prior to joining CIT, Mr. Mason served as Vice Chairman and Chief Operating Officer of Mercantile Bankshares Corporation from November 2003 until its March 2007 acquisition by PNC Bank. Before then Mr. Mason held a succession of executive positions at Deutsche Bank and Bankers Trust, including the position of Vice Chairman, Deutsche Bank Americas, and prior to that he was Chief Operating Officer for Global Corporate Finance. Prior to Deutsche Bank, he spent more than 20 years at Bankers Trust where he last held the position of Managing Director and Co-Head of Corporate Finance.

Kristine A. Snow has served as President of Vendor Finance since October, 2008. Previously, she served as Co-President of Global Vendor Finance since September 2007 and as President of Vendor Finance, Americas since September 2006. Prior to joining CIT, Ms. Snow spent 17 years at Sun Microsystems, Inc., most recently as Senior Vice President of Sun Microsystems Global Financial Services. Prior to Sun Microsystems, Ms. Snow held various positions with Cray Research Inc., Digital Equipment Corporation and General Electric s Calma Division.

Section 16(a) Beneficial Ownership Reporting Compliance

Mr. Peek filed two late Form 4s with respect to eleven transactions regarding the acquisition of common stock upon the reinvestment of dividends paid on shares of stock that vested in 2007 and for which Mr. Peek elected to defer receipt. Mr. Butler filed one late Form 5 with respect to three transactions regarding the acquisition of common stock. Mr. Terry Kelleher, former Co-President of Vendor Finance, filed one late Form 5 to report one transaction regarding the acquisition of common stock through reinvestment of dividends paid on vested shares of restricted stock and one late Form 3/A with respect to a certain adjustment in holdings of common stock. Ms. Lyne filed one late Form 5 with respect to one transaction regarding the acquisition of common stock through reinvestment of dividends on vested shares of restricted stock. Mr. McDonald filed one late Form 4 with respect to the acquisition of common stock. Ms. Gipson filed one late Form 4 with respect to one transaction regarding the sale of common stock and one late Form 3/A with respect to certain adjustments in holdings of common stock. Based on CIT s records and other information, CIT believes that its directors and executive officers complied with all other applicable SEC filling requirements for reporting beneficial ownership of CIT's equity securities for the year ended December 31, 2008.

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2009 AUDIT COMMITTEE REPORT

Under the terms of its charter, the Audit Committee (i) monitors the quality and integrity of CIT s financial reporting process, financial statements and systems of internal controls regarding finance and accounting, (ii) reviews CIT s corporate compliance policies and monitors the compliance by CIT with its Code of Business Conduct, and its other compliance policies and with legal and regulatory requirements, (iii) monitors the qualifications, independence and performance of CIT s internal audit function and independent registered public accounting firm, (iv) retains and determines the compensation of the independent auditors, and (v) monitors CIT s financial, litigation and compliance risks. It is not the Audit Committee s responsibility to conduct auditing or accounting reviews or procedures. Management has primary responsibility for the preparation and integrity of the financial statements and the reporting process. CIT s independent registered public accounting firm is responsible for expressing an opinion on the conformity of the audited financial statements to accounting principles generally accepted in the United States.

The Audit Committee reviewed CIT s audited financial statements and related SEC filings for the year ended December 31, 2008 and met with management and PricewaterhouseCoopers LLP (**PwC**), CIT s independent registered public accounting firm, to discuss those financial statements. Management has represented to the Audit Committee that the financial statements were prepared in accordance with generally accepted accounting principles.

The Audit Committee has discussed with PwC the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended. In addition, the Audit Committee has received from PwC its written disclosures and letter regarding its independence from CIT, as required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and has discussed with PwC its independence from CIT and management. The Audit Committee has also determined, based on such disclosures, letter and discussions, that PwC s provision of other non-audit services to CIT is compatible with the auditors independence.

Based upon these reviews and discussions, the Audit Committee has recommended to the Board that the audited financial statements be included in CIT s Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

February 19, 2009

Audit Committee

Peter J. Tobin, Chair
Marianne Miller Parrs
Seymour Sternberg
James S. McDonald

2009 COMPENSATION COMMITTEE REPORT

The Compensation Committee has discussed and reviewed with management the Compensation Discussion and Analysis presented in this Proxy Statement. Based on this discussion and review of the Compensation Discussion and Analysis, the Compensation Committee has recommended to the full Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

March 9, 2009

Compensation Committee

William M. Freeman, Chair
Susan M. Lyne
Timothy M. Ring

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Committee of our Board of Directors (the **Compensation Committee**) oversees our executive compensation program and administers certain aspects of the program. Information about our Compensation Committee and our executive officers who participate in executive compensation decisions can be found in the Compensation Committee sub-section of the Corporate Governance section of this Proxy Statement.

This Compensation Discussion and Analysis (**CD&A**) describes our compensation program for named executive officers and the basis for decisions regarding their compensation for 2008. Our named executive officers for 2008 are Messrs. Peek, Leone, Mason, Duffy, Knittel and Marsiello.

Executive Summary

The global capital markets dislocation and credit crisis, which began in 2007 in the subprime mortgage market and intensified in early 2008, has now resulted in a broad-based U.S. (and global) recession, prompting unprecedented government interventions in the financial services industry and sweeping sector change. The competitive landscape in which CIT conducts business changed dramatically as well. Several non-traditional competitors, such as hedge funds, exited the market. Other well-established firms significantly pulled back from the markets in which they compete with CIT.

2008 was a transformational year for CIT. Operating within a very challenging environment, CIT s management team worked to balance liquidity needs with profitability objectives. The company reported large losses from continuing operations combined with write-downs from discontinued operations in the residential lending business. Impacted by its poor financial performance and the pervasive market dislocation, CIT witnessed a dramatic decline in the price of its stock. Reflecting a focus on preserving the value of our commercial businesses, we streamlined our operations and reduced staff by 22%. We strengthened our balance sheet by raising capital and building credit reserves, improved the risk profile of our firm, largely through the sale of the company s $10 billion home lending portfolio (which closed in July 2008), and generated over $20 billion of liquidity despite our inability to access public debt markets.

The ongoing reassessment of CIT s various business options during the second half of the year culminated in our application, and Federal Reserve Board approval in December 2008, to become a bank holding company, as well as the conversion of CIT Bank from a limited charter Utah industrial bank into a full service bank. CIT also sold $2.33 billion of CIT perpetual preferred stock and related warrants to the U.S. Department of the Treasury as a participant in the federal government s Capital Purchase Program, part of the Troubled Assets Relief Program (**TARP**) established under the Emergency Economic Stabilization Act of 2008 (**EESA**).

The efforts described above improved our capitalization and CIT begins 2009 as a bank holding company with the opportunity to refresh our business model with a bank at its core.

Our compensation program for 2008 evolved in a number of key respects to address the significant business and market challenges facing the financial services industry in general and CIT in particular. In connection with our participation in TARP, we agreed to adopt a number of executive compensation restrictions established by the U.S. Department of the Treasury in October 2008. These standards were modified by Congress under the American Recovery and Reinvestment Act of 2009 (**ARRA**), the stimulus legislation enacted in the first quarter of 2009. As a result, we have begun the process of rethinking our incentive compensation program for our senior executive officers (generally, our named executive officers) and certain of our other most highly-compensated employees in order to provide them with meaningful incentives within the parameters of the new law. As of the date of this Proxy Statement, the process of establishing our senior executive officer incentive program for 2009 is ongoing.

What are the key compensation decisions we made in 2008?

We made the following compensation decisions for 2008:

- We did not strictly apply the total compensation framework used in prior years, which focuses our decisions on the sum of a named executive officer s base salary, annual cash incentive award and long-term equity incentive awards, in setting total incentive compensation for 2008.
- We did not award cash bonuses for 2008 to our CEO and CFO, based on our overall financial performance

during 2008.

- We paid selected cash bonuses to reward exceptional individual performance in 2008, although bonus awards were not payable under the net income formula under the CIT Group Inc. Executive Incentive Plan.
- We made all of our equity-based awards to executive officers in respect of 2008 in the form of stock options. The only exception was for Mr. Mason, our new President and Chief Operating Officer, whose employment agreement requires awards of options and restricted stock units (**RSUs**).
- We did not make any payment under the performance share units (**PSUs**) granted in 2006 for the three-year performance period that ended in 2008, as the minimum performance threshold under the awards was not achieved.
- We implemented retention awards in January 2009 for 40 executives and key employees (including two of our named executive officers) from among our approximately 5,000 employees, in the form of cash-based awards that vest 100% after two years.
- In June 2008, we entered into an employment agreement with Mr. Mason in connection with his appointment as President and Chief Operating Officer of CIT. We also agreed to a one- year extension of Mr. Leone s and Mr. Knittel s employment agreements, which were scheduled to expire on December 31, 2008.
- We did not increase for 2009 the rate of base salary for any of our named executive officers.

As previously noted, we sold $2.33 billion of perpetual preferred stock and warrants under the federal government s Capital Purchase Program on December 31, 2008, and became subject to the executive compensation restrictions under TARP. Prior to our receipt of TARP funds, we obtained a waiver from each of Messrs. Peek, Leone, Mason, Duffy and Knittel of their rights to compensation not meeting TARP standards under EESA, as established by the U.S. Department of the Treasury in October of 2008. These standards were subsequently modified by ARRA in February 2009 and we are currently assessing the impact that ARRA and the regulations to be promulgated by the U.S. Department of the Treasury thereunder might have on stock option and retention awards granted to our executive officers in 2009. Furthermore, as noted above, we are examining our incentive compensation program for executive officers in light of the requirements of ARRA and the regulations to be promulgated by the U.S. Department of the Treasury thereunder.

The remaining portions of this CD&A discuss our compensation program for named executive officers and the rationale under our program for these 2008 compensation decisions and certain compensation decisions affecting 2009 pay.

What is our compensation philosophy?

Going into 2009, our guiding compensation philosophy has been to provide a total pay package that motivates our named executive officers to achieve our short-term and long-term business goals. To sustain our performance, we need to retain our existing talent and to attract individuals to our key leadership positions. One of the most important investments we make is in our employees, and we endeavor to design our compensation policies to maximize the return on that investment. As noted above and more fully below, the tools at our disposal to implement this philosophy have been limited under ARRA and the regulations to be promulgated by the Department of Treasury thereunder. In light of these requirements, as of the date of this Proxy Statement, we are in the process of redesigning our senior executive officer compensation program for 2009.

What are the key principles that influenced our 2008 compensation decisions?

The following principles motivated and informed our named executive officer compensation decisions for 2008:

- *Reward exceptional individual performance that contributed to franchise preservation.* We awarded cash bonuses that were determined based on subjective assessments of performance made by senior management and the Compensation Committee. Bonuses were payable to reward exceptional performance and were not determined by plan formulas, benchmarking or the total compensation approach that we have used in prior years.
- *Retain key talent.* We introduced a two-year cash retention program in 2009 to retain key management and to compensate for the current lack of retention value in the long-term equity incentives currently held by our executive officers. As noted above, we are currently assessing the impact of ARRA on awards made to our executive officers under this plan.
- *Take a long-term view that ties executives compensation to shareholder return.* We made grants of all equity awards for 2008 performance in the form of stock options under the CIT Group Inc. Long-Term Incentive Plan (the **LTIP**). We have a limited number of shares available under our LTIP. Therefore, we determined the equity awards based on a number of shares for each recipient that reflects the individual s performance and role within the organization relative to other employees (rather than granting equity based on a total dollar value pursuant to our total compensation philosophy). As a result of the limited number of shares available for grant, the value of our equity-based awards represents a significant decline from prior years in the weighting and value the long-term incentives otherwise would have had as part of total compensation. In addition, grants were made in a single tranche in January 2009 (rather than in January and July, as we have done in prior years) in order to obtain the maximum incentive and retention effect from these awards. By granting all equity- based awards in the form of options, we have strongly aligned the interests of our executives with that of shareholders and incented them to take actions that will enhance the value of the franchise, and presumably the stock price, over time. Moreover, a limited number of shares remain available for issuance within the existing authorization under the LTIP. With awards of stock options, the share counting rules under the LTIP permit awards covering a greater number of shares than with restricted stock, performance shares or similar forms of award. As noted above, we are currently assessing the impact of ARRA on grants of stock options made to our executive officers in January 2009.
- *Equity-based awards are an important element of compensation.* In order to continue to align the incentives of our executives with that of shareholders, we seek to maintain equity-based awards as an important component of total compensation. We are therefore requesting shareholder approval at the annual meeting for an increase in the number of shares authorized for issuance under our broad-based employee stock purchase plan and the LTIP. As noted

below, we anticipate our ability to make future awards of equity-based compensation to our senior executive officers and other affected employees will be limited by ARRA and the regulations to be promulgated by the Department of Treasury thereunder.

- *Be consistent with the market.* We recognize that we compete with many firms to recruit and retain talent and therefore need to set executive compensation in line with market practices. Our Compensation Committee continues to be guided by an independent consultant, Towers Perrin, in overseeing our compensation program and in setting the compensation levels for our named executive officers. In addition, we have retained Watson Wyatt to assist management in the development and implementation of our compensation arrangements. Towers Perrin and Watson Wyatt attend Compensation Committee meetings regularly and conduct studies of compensation issues related to the design of our executive officer compensation program. More information about Towers Perrin and Watson Wyatt s role can be found in the Compensation Committee sub-section of the Corporate Governance section of this Proxy Statement.

What are the components of our compensation program?

Our compensation and benefits programs have historically consisted of the following components:

- Total compensation consisting of:
  - Base salary;
  - Annual cash incentive awards;
  - Long-term equity incentive awards; and
  - Cash-based retention awards.
- Competitive retirement, health and welfare benefits;
- Market-based severance and change of control protections, which are subject to limitations imposed by TARP; and
- Limited perquisites.

We are currently evaluating the components of our compensation program in light of ARRA and the regulations to be promulgated by the Department of Treasury thereunder.

How does the total amount of 2008 base salary and incentive compensation relate to compensation for 2006 and 2007?

The following table compares the amount of base salary and incentive compensation paid to Messrs. Peek, Leone, Mason, Knittel and Duffy for 2008 and the two preceding years. The presentation below varies from the presentation format in the Summary Compensation Table and related Grants of Plan-Based Awards Table in the following three respects:

(1) It allocates equity awards to the year in which the awards were earned, rather than the year in which they were granted.

(2) It reports the shares subject to equity awards, rather than amounts recorded as expense for financial accounting purposes.

(3) Finally, it lists the total incentive compensation value that we used to determine the incentive awards made to each executive.

We believe the presentation below fairly illustrates on a year-over-year basis the base salary and incentive compensation paid to our named executive officers. Mr. Marsiello was excluded from this table, due to his retirement in February 2008.

COMPONENTS OF COMPENSATION

Name	Year	Base Salary	Incentive Compensation (1) (2)		Value of Total Compensation
			Form of Awards	Value/Units	
Jeffrey M. Peek	2008	$ 800,000	Incentive Compensation	$	$ 800,000

	2007	$ 800,000	Incentive Compensation	$	$ 800,000
			Retention Award	$ 3,172,500	$ 3,172,500
			Restricted Cash Units (#)	*150,000*	
			2007 TOTAL COMPENSATION PLUS RETENTION		$ 3,972,500
	2006	$ 800,000	Incentive Compensation	$ 13,100,000	$ 13,900,000
			Cash Bonus	*$ 3,010,000*	
			Stock Options (#)	*238,237*	
			Performance Share Units (Target #)	*107,075*	
Joseph M. Leone	2008	$ 500,000	Incentive Compensation	$	$ 500,000