XEROX CORP
Form DEF 14A
April 04, 2016

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ]	Preliminary Proxy Statement
[ ]	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
[X]	Definitive Proxy Statement
[ ]	Definitive Additional Materials
[ ]	Soliciting Material Pursuant to §240.14a-12

Xerox Corporation
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

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

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

2) Aggregate number of securities to which transaction applies:

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

4) Proposed maximum aggregate value of transaction:

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1)	Amount Previously Paid:
2)	Form, Schedule or Registration Statement No.:
3)	Filing Party:
4)	Date Filed:

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Xerox Corporation
45 Glover Avenue
P.O. Box 4505
Norwalk, CT 06856-4505

April 4, 2016

Dear Shareholders:

You are cordially invited to attend the 2016 Annual Meeting of Shareholders of Xerox Corporation to be held on Friday, May 20, 2016, at Xerox s Corporate Headquarters, 45 Glover Avenue in Norwalk, Connecticut. Your Board of Directors and management look forward to greeting those shareholders who are able to attend.

At the Annual Meeting of Shareholders, you will be asked to vote upon the election of eight directors, the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2016, the approval, on an advisory basis, of the 2015 compensation of our named executive officers and the approval of an amendment and restatement of the Company s 2004 Performance Incentive Plan. The Board of Directors unanimously recommends that you vote in favor of each of these proposals. There will also be one shareholder proposal submitted for shareholder vote. Your Board believes that adopting this shareholder proposal is not in the best interest of the Company and its shareholders, and unanimously recommends a vote against this proposal.

After nearly a decade of dedicated service, Maggie Wilderotter resigned from the Board of Directors to pursue other interests. We are deeply grateful for her many contributions over the years.

It is important that your shares be represented and voted at the Annual Meeting of Shareholders, regardless of whether or not you plan to attend in person. Therefore, you are urged to vote your shares using one of the methods described in the following pages. Voting instructions are provided in the voting instruction and proxy card.

For the Board of Directors,

Ursula M. Burns
Chairman of the Board and Chief Executive Officer

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Notice of 2016 Annual Meeting of Shareholders

Date and Time:	Friday, May 20, 2016, at 9:00 a.m.
Location:	Xerox s Corporate Headquarters, 45 Glover Avenue in Norwalk, Connecticut
Purpose:	Our shareholders will be asked to: (1) Elect 8 directors; (2) Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2016; (3) Approve, on an advisory basis, the 2015 compensation of our named executive officers; (4) Approve the 2016 Amendment and Restatement of the Company s 2004 Performance Incentive Plan; (5) Vote on one shareholder proposal relating to executive compensation metrics; and (6) Consider such other business as may properly come before the meeting.
Record Date:	March 22, 2016 You are eligible to vote if you were a shareholder of record as of the close of business on this date.
Proxy Voting:	(1) Telephone; (2) Internet; or (3) Proxy Card. Please review the Notice of Internet Availability of Proxy Materials or accompanying proxy card for voting instructions.
Importance of Vote:	Whether or not you plan to attend, please submit your proxy as soon as possible to ensure that your shares are represented.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on May 20, 2016.

The Proxy Statement and 2015 Annual Report are available at *www.edocumentview.com/XRX* or *www.xerox.com/investor*.

By order of the Board of Directors,

Don H. Liu
Executive Vice President, General Counsel and Secretary

April 4, 2016

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PROXY STATEMENT

GENERAL INFORMATION ABOUT THE ANNUAL MEETING

The Annual Meeting

The 2016 Annual Meeting of Shareholders (Annual Meeting) of Xerox Corporation (Company) will be held on Friday, May 20, 2016, beginning at 9:00 a.m. at Xerox s Corporate Headquarters, 45 Glover Avenue in Norwalk, Connecticut.

What is the purpose of the Annual Meeting?

At the Annual Meeting, shareholders will consider and vote on the following matters:

1. Election of the eight nominees named in this Proxy Statement to our Board of Directors (Board), each for a term of one year.

2. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016.

3. Approval, on an advisory basis, of the 2015 compensation of our named executive officers.

4. Approval of the 2016 Amendment and Restatement of the Company s 2004 Performance Incentive Plan.

5. Shareholder proposal relating to executive compensation metrics.

Shareholders will also act on any other business that may properly come before the meeting. In addition, our management will report on Xerox s performance during fiscal 2015 and respond to questions from shareholders.

Who is entitled to vote?

Owners of our common stock, par value $1 per share (Common Stock), as of the close of business on the record date, March 22, 2016 (record date), are entitled to vote at the Annual Meeting. The shares owned include shares you held on that date (1) directly in your name as the shareholder of record (registered shareholder) and/or (2) in the name of a broker, bank or other holder of record where the shares were held for you as the beneficial owner (beneficial owner). Each share of Common Stock is entitled to one vote on each matter to be voted on. As of the record date, there were 1,012,991,592 shares of our Common Stock outstanding and entitled to vote.

How do I vote?

Beneficial owners will receive a separate Notice of Internet Availability of Proxy Materials (Notice) with voting instructions from the bank, broker or other holder of record where the shares are held that must be followed in order for their shares to be voted.

Registered shareholders can vote in any one of four ways:

BY INTERNET

If you have Internet access, you may vote your shares by following the Vote by Internet instructions included in the Notice or on the enclosed proxy card. If you vote via the Internet, do not return your proxy card.

BY TELEPHONE

If you received written materials, you may vote your shares by following the Vote by Telephone instructions on the enclosed proxy card. If you vote by telephone, do not return your proxy card.

BY MAIL

IN PERSON

If you received written materials, you may vote by completing and signing the proxy card enclosed with this Proxy Statement and promptly mailing it in the enclosed postage-prepaid envelope. The shares you own will be voted according to your instructions on the proxy card you mail. If you sign and return your proxy card but do not indicate your voting instructions on one or more of the matters listed, the shares you own will be voted by the named proxies in accordance with the recommendations of our Board of Directors.

If you submit a proxy or voting instructions via the Internet, telephone or by mail, you do not need to vote at the Annual Meeting. We will pass out written ballots to any shareholder of record or authorized representative of a shareholder of record who wants to vote in person at the Annual Meeting instead of by proxy. Voting in person will revoke any proxy previously given. If you hold your shares through a broker, bank or nominee, you must obtain a proxy from your broker, bank or nominee to vote in person.

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If you use your proxy to vote by internet, telephone or mail, you authorize each of the three directors, whose names are listed on the proxy card accompanying this Proxy Statement, to act as your proxies to represent you and vote your shares as you direct.

How does the Board of Directors recommend that I vote?

The Board recommends that you vote:

FOR the election of each of the eight director nominees;

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016;

FOR the approval, on an advisory basis, of the 2015 compensation of our named executive officers;

FOR the approval of the 2016 Amendment and Restatement of the Company s 2004 Performance Incentive Plan; and

AGAINST the shareholder proposal relating to the executive compensation metrics.

How can I attend the Annual Meeting?

All shareholders of record on the record date may attend. In order to be admitted to the meeting, please obtain an admission ticket in advance and bring a form of personal photo identification, such as a driver s license. To obtain an admission ticket:

If you are a registered shareholder:

If you vote via the Internet or by telephone, you will be asked if you would like to receive an admission ticket.

If you vote by proxy card, please mark the appropriate box on the proxy card and an admission ticket will be sent to you.

If you are a beneficial owner:

Please request an admission ticket in advance by calling Shareholder Services at (203) 849-2315 or by mailing a written request, along with proof of your ownership of Xerox Common Stock as of the record date, to Xerox Corporation, Shareholder Services, P.O. Box 4505, Norwalk, CT 06856-4505. All calls and written requests for admission tickets must be received no later than the close of business on May 10, 2016.

You can find directions to the meeting online at *www.edocumentview.com/XRX*. If you have any further questions regarding admission or directions to the Annual Meeting, please call Shareholder Services at (203) 849-2315.

How many shares are required to be present to hold the Annual Meeting?

A quorum is necessary to hold a valid meeting of shareholders. For each of the proposals to be presented at the meeting, the presence at the meeting, in person or by proxy, of the holders of a majority of the shares of our Common Stock outstanding on the record date will constitute a quorum. As of the record date, there were 1,012,991,592 shares of our Common Stock outstanding. If you vote including by Internet, telephone or proxy card your shares will be counted towards the quorum for the Annual Meeting. Broker non-votes and abstentions are counted as present for the purpose of determining a quorum.

How many votes are required to approve each proposal?

Election of Directors. Under our by-laws, directors are elected by majority vote, meaning that in an uncontested director election, the votes cast for the nominee s election must exceed the votes cast against the nominee s election, with abstentions and broker non-votes not counting as votes for or against. Our by-laws require that any incumbent nominee for director who receives a greater number of votes cast against his or her election than for his or her election shall tender his or her resignation promptly after such election. The independent directors will then evaluate and determine, based on the relevant facts and circumstances, whether to accept or reject the resignation. The Board s explanation of its decision will be promptly disclosed on a Form 8-K filed with the Securities and Exchange Commission (SEC).

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Other Items

The affirmative vote of a majority of the votes cast at the meeting will be required for approval of the following proposals.

- **Ratification of PricewaterhouseCoopers LLP as our independent auditor;**
- **Approval, on an advisory basis, of the 2015 compensation of our named executive officers;**
- **Approval of the 2016 Amendment and Restatement of the Company s 2004 Performance Incentive Plan; and**
- **Shareholder proposal relating to executive compensation metrics.**

Abstentions are not counted as votes for or against for the purpose of determining the outcome for any of the above matters other than approval of the 2016 Amendment and Restatement of the Company s 2004 Performance Incentive Plan. Pursuant to New York Stock Exchange (NYSE) rules, we will count abstentions as votes cast against this proposal.

For routine matters such as ratification of PricewaterhouseCoopers LLP as our independent auditor, broker non-votes are counted as votes for or against for the purpose of determining the outcome of the vote. Broker non-votes are not counted as votes for or against for the purpose of determining the outcome of any of the other above matters, or the election of directors, because the other above matters and the election of directors are considered non-routine matters. For additional information, see below under *What is a broker non-vote and how will it affect voting?*

Although the advisory vote is non-binding, the Board of Directors values the opinions of shareholders and will consider the outcome of the vote on this proposal when making future decisions regarding executive compensation.

At present, the Board does not intend to present any other matters at this meeting and knows of no matters other than these to be presented for shareholder action at the Annual Meeting. If any other matters properly come before the meeting, the persons named in the accompanying proxy intend to vote the proxies in accordance with their best judgment.

What is a broker non-vote and how will it affect the voting?

Under NYSE rules, brokers are not permitted to vote the shares they hold on behalf of beneficial owners without the beneficial owner s voting instruction for matters that are deemed to be non-routine. A broker non-vote occurs with respect to these non-routine matters when the beneficial owner of the shares fails to furnish voting instructions to the broker, and the broker is not permitted under applicable NYSE rules to vote the shares in its discretion. Election of directors, the advisory vote on executive compensation, the vote to approve the 2016 Amendment and Restatement of the Company s 2004 Performance Incentive Plan and the vote on the shareholder proposal are considered non-routine matters. Shares constituting broker non-votes, while counted towards the quorum, are not counted as votes for or against for the purpose of determining whether shareholders have approved a non-routine matter. As a result, broker non-votes will have no impact on the outcome of these matters.

Ratification of PricewaterhouseCoopers LLP as our independent auditor is a routine matter, and, therefore, broker non-votes will be counted towards the quorum and will be countered as votes for or against for the purpose of determining whether shareholders have approved that matter. As a result, broker non-votes will impact the outcome of that matter.

How will shares in the Xerox Employee Stock Ownership Plan, Xerox Savings Plans and Xerox Business Services Savings Plan be voted?

Beneficial owners of the shares of Common Stock held in the (1) Xerox Employee Stock Ownership Plan (ESOP), (2) Xerox Corporation Savings Plan, (3) Savings Plan of Xerox Corporation and the Xerographic Division, Rochester Regional Joint Board on Behalf of Itself and Other Regional Joint Boards (together with the Xerox Corporation Savings Plan, referred to as the Xerox Savings Plans) or (4) Xerox Business Services Savings Plan, formerly known as ACS Savings Plan (Services Savings Plan), can instruct State Street Bank and Trust Company, as Trustee for the ESOP and the Xerox Savings Plans (Xerox Plans Trustee) or The Bank

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of New York Mellon, as Trustee for the Services Savings Plan (Services Savings Plan Trustee), by telephone, Internet or mail, how to vote the shares in their accounts. No matter which method is used, your voting instructions are confidential and will not be disclosed to the Company. By providing voting instructions in one of these ways, you instruct the Xerox Plans Trustee or the Services Savings Plan Trustee to vote the shares allocated to your ESOP, Xerox Savings Plans or Services Savings Plan account or accounts. For the ESOP participants and the Xerox Savings Plans participants, you also authorize the Xerox Plans Trustee to vote the shares of Common Stock held in the ESOP trust or Xerox Savings Plans trust for which no instructions were provided in the same proportion on each issue as it votes the shares for which participants have returned voting instructions. You acknowledge that in voting your shares and the shares for which no instructions were provided, you are acting as a named fiduciary under the Employee Retirement Income Security Act of 1974. Unlike the ESOP or Xerox Savings Plans, if no instructions have been received from a Services Savings Plan participant, the Services Savings Plan Trustee will not vote the shares allocated in your account. Your vote must be received by 8:00 AM Eastern Time on Wednesday, May 18, 2016 to allow sufficient time for processing.

May I change my vote?

Yes. You may revoke your proxy at any time before the Annual Meeting by submitting a later dated proxy card, by a later telephone or on-line vote, by notifying the Secretary of the Company in writing that you have revoked your proxy or by attending the Annual Meeting and either giving notice of revocation or voting in person.

Who will count the vote? Is my vote confidential?

Representatives of Computershare will act as Inspector of Election, supervise the voting, decide the validity of proxies and receive and tabulate proxies. As a matter of policy, we keep confidential all shareholder meeting proxies, ballots and voting tabulations that identify individual shareholders. In addition, the vote of any shareholder is not disclosed except as may be necessary to meet legal requirements.

How are proxies solicited?

In addition to the solicitation of proxies by mail, we also request brokerage houses, nominees, custodians and fiduciaries to forward soliciting material to the beneficial owners of stock held of record and reimburse such person for the cost of forwarding the material. We have engaged Georgeson Inc. to handle the distribution of soliciting material to, and the collection of proxies from, such entities. We will pay Georgeson Inc. a fee of $12,000, plus reimbursement of out-of-pocket expenses for this service. We bear the cost of all proxy solicitation.

Why did I receive a notice in the mail regarding Internet availability of proxy materials instead of a full set of printed proxy materials?

Pursuant to rules adopted by the SEC, the Company has elected to provide access to its proxy materials over the Internet. Accordingly, on or about April 4, 2016, a Notice is being sent to all of the Company s registered shareholders and beneficial owners of record as of March 22, 2016. The Notice contains instructions on how to access the proxy materials over the Internet and how to request a paper copy of the proxy materials, including a proxy card, as well as how shareholders may request to receive proxy materials in printed form by mail, or electronically by email, on a going forward basis.

How can I electronically access the proxy materials?

You can access the proxy materials online at *www.edocumentview.com/XRX* or *www.xerox.com/investor*. Shareholders may receive Proxy Statements, Annual Reports and other shareholder materials via electronic delivery. Registered shareholders can sign up for electronic delivery at *www.eTree.com/Xerox* or *www.computershare.com/investor*. Beneficial owners can sign up for electronic delivery at *http://enroll.icsdelivery.com/xrx* or by checking the information provided in the proxy materials mailed to you by your bank or broker regarding the availability of this service. Opting to receive future proxy materials electronically by email will provide the Company cost savings relating to printing and postage and reduce the environmental impact of delivering documents to you.

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What are the deadlines and requirements for shareholder submission of proposals, director nominations and other business for the 2017 Annual Meeting?

We expect to hold our 2017 Annual Meeting of Shareholders during the second half of May and to file and mail our Proxy Statement for that meeting during the first half of April. Under SEC proxy rules, if a shareholder wants us to include a proposal in our Proxy Statement and proxy card for the 2017 Annual Meeting of Shareholders, the proposal must be received by us no later than December 5, 2016.

Any shareholder wishing to make a nomination for director or wishing to introduce any business at the 2017 Annual Meeting of Shareholders (other than a proposal submitted for inclusion in the Company s proxy materials) must provide the Company advance notice of such nominee or business which must be received by the Company no earlier than November 5, 2016 and no later than December 5, 2016. Any such notice must comply with requirements set forth in our by-laws. Nominations for director must be accompanied by a written consent of the nominee consenting to being named as a nominee and serving as a director if elected. Proposals and other items of business should be directed to Xerox Corporation, P.O. Box 4505, Norwalk, CT 06856-4505, Attention: Corporate Secretary.

How can I contact the Board of Directors?

Under our Corporate Governance Guidelines, shareholders and other interested parties may contact the non-management members of the Board of Directors by contacting the Chairman of the Corporate Governance Committee using the Contact the Board link posted on our Company s website at *www.xerox.com/governance*.

What if multiple shareholders have the same address?

Where multiple shareholders reside in the same household, for shareholders who receive paper copies of our proxy materials, we will deliver a single Proxy Statement and Annual Report, along with separate proxy cards or separate Notices of Internet Availability to multiple shareholders who reside in the same household unless we have received other instructions. If (i) you and another registered shareholder residing in the same household each receive paper copies of the proxy materials and as a household wish to receive only one paper copy or (ii) you share a household with another registered shareholder, received a single set of proxy materials, and would like to receive separate copies of our Notice, Proxy Statement or Annual Report, you may request a change in delivery preferences. For registered shareholders, you may contact our transfer agent at (800-828-6396) or write them at Computershare, P.O. Box 30170, College Station, TX 77842-3170. For beneficial owners, you may call the bank, broker or other nominee where your shares are held in street name or call (800) 542-1061.

How may I get additional copies of the Annual Report and Proxy Statement?

Copies of the 2015 Annual Report and 2016 Proxy Statement have been distributed to shareholders (unless you have received a copy of the Notice or have consented to electronic delivery). Additional paper copies of these documents are available upon request made to Xerox Corporation, P.O. Box 4505, Norwalk, CT 06856-4505, Attention: Corporate Secretary. The Annual Report and Proxy Statement are also available on the Company s website at *www.xerox.com/investor* or *www.edocumentview.com/XRX*. The Notice also provides you with instructions on how to request paper copies of the proxy materials. There is no charge to receive the materials by mail. You may request paper copies of the materials until one year after the date of the Annual Meeting.

Is there a list of shareholders entitled to vote at the Annual Meeting?

A list of registered shareholders entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting at our offices located at Xerox Corporate Headquarters, 45 Glover Avenue, Norwalk, CT 06850.

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PROPOSAL 1 ELECTION OF DIRECTORS

Shareholders annually elect directors to serve for one year and until their successors have been elected and have been qualified. Based on the director nomination process described below, the eight persons whose biographies appear below have been nominated by the Board of Directors to serve as directors based on the recommendation of the Corporate Governance Committee. Each nominee brings to us valuable experience from a variety of fields. The biographical information presented regarding each nominee s specific experience, qualifications, attributes and skills led our Board of Directors to the conclusion that he or she should serve as a director. Each of the nominees has demonstrated business acumen and an ability to exercise independent and sound judgment, as well as an understanding of the Company s business environment and a commitment to serve the Company and our Board of Directors. We also value their significant experience on other public company boards of directors and board committees.

As previously announced, in January 2016, the Board unanimously approved management s plan to separate Xerox into two independent, publicly-traded companies. In addition, Xerox entered into an agreement with Carl C. Icahn and certain of his affiliates pursuant to which, among other things, Mr. Icahn and such affiliates agreed to vote in favor of the directors nominated by the Board at our 2016 Annual Meeting. For more information on the separation, see *Corporate Governance-Recent Developments*.

The Board of Directors has determined that each of the nominees (other than Ursula M. Burns, Chief Executive Officer of the Company) is independent under the NYSE Corporate Governance Rules and the Company s more stringent independence standards. Although not anticipated, if for any reason, a nominee is unable to serve, the proxies may use their discretion to vote for a substitute nominated by the Board of Directors.

Biographies

The table below summarizes key qualifications, skills and attributes that each of our directors possesses which were most relevant to the decision to nominate him or her to serve on the Board of Directors. The lack of a mark does not mean the director does not possess that qualification or skill or that other qualities were not also considered; rather, a mark indicates a specific area of focus or expertise on which the Board relies most heavily. Each director s biography below describes his or her qualifications and relevant experience in more detail.

Skills and Qualifications of our Board of Directors

Services
Technology
Leadership
Global Business
Financial
Public Company Boards & Governance
Business Operations
Research & Academic
Diversity

In addition to the qualifications and skills referenced above, we have provided below the principal occupation and other information about the relevant experience, qualifications, attributes or skills that the Board of Directors has concluded qualify each of the nominees to serve as a director of the Company.

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Certain terms used in the biographies may be unfamiliar to you, so we are defining them here.

Xerox securities owned means the Company s Common Stock, including: Deferred Stock Units (DSUs) issued under the 2004 Equity Compensation Plan for Non-Employee Directors, as amended (2004 Directors Plan) and Common Stock owned through the individual s ESOP account and other Company equity programs. None of the independent director nominees owns any of the Company s other securities.

Immediate family means the spouse, the minor children and any relatives sharing the same home as the nominee.

Unless otherwise noted, all Xerox securities held are owned beneficially by the nominee. Beneficial ownership means he or she has or shares voting power and/or investment power with respect to the securities, even though another name (that of a broker, for example) may appear in the Company s records. All ownership figures are as of February 29, 2016.

Ursula M. Burns

Age: 57 Director since: 2007
Xerox securities owned: 1,622,806 common shares; 3,316 common shares in an ESOP account; an interest in approximately 5,386 common shares through the Xerox Stock Fund under the Xerox 401(k) Savings Plan; 600,000 common shares in trusts for children; immediate family owns 3,458 common shares and an interest in approximately 25,640 common shares through the Xerox Stock Fund under the Xerox 401(k) Savings Plan
Options/Rights: None
Occupation: Chairman of the Board and Chief Executive Officer, Xerox Corporation
Education: BS, Polytechnic Institute of New York; MS, Columbia University
Other Directorships: American Express Corporation (since 2004); Exxon Mobil Corporation (since 2012)

Other Background: Joined Xerox in 1980 and subsequently advanced through several engineering and management positions. Named Vice President and General Manager, Departmental Business Unit in 1997; Vice President, Worldwide Manufacturing in 1999; Senior Vice President, Corporate Strategic Services in 2000; Senior Vice President, President, Document Systems and Solutions Group in 2001; and Senior Vice President, President, Business Group Operations in 2002. Elected President and Director in April 2007; Chief Executive Officer in July 2009; and Chairman of the Board in May 2010.

As a long-tenured employee of Xerox culminating in her being appointed as CEO and Chairman, Ms. Burns brings to the Board expertise relevant to Xerox, including her expertise in global business and technology; extensive operating and management experience at Xerox, a technology-driven global manufacturing and business services company; and deep understanding of Xerox s people, history and business that she has acquired in over 30 years of service at Xerox. She also possesses a broad range of experience and skills garnered from the various other leadership positions she has held at Xerox and from her service on other public company boards and committees.

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Richard J. Harrington
Age: 69 Director since: 2004
Xerox securities owned: 856 common shares and 135,698 DSUs
Options/Rights: None
Occupation: Chairman and General Partner, The Cue Ball Group; Retired President and Chief Executive Officer, The Thomson Corporation
Education: BA, University of Rhode Island
Other Directorships: Aetna, Inc. (since 2008)

Other Background: After his retirement from The Thomson Corporation, Mr. Harrington served as Chairman of the Thomson Reuters Foundation. Prior to his retirement, he was President and CEO of The Thomson Corporation. He joined Thomson in 1982 and held a number of leadership positions including President and CEO of Thomson Newspapers; President and CEO of Thomson Professional Publishing; President and CEO of Mitchell International and President of Thomson & Thomson. Employed as an auditor for Arthur Young & Co. for six years prior to joining Thomson. Chairman of the Audit Committee of Xerox.

Through his extensive leadership experience at The Thomson Corporation, Mr. Harrington brings to the Board expertise relevant to Xerox, including his broad business experience, extensive knowledge of complex operational matters, executive leadership expertise and financial literacy and expertise. These skills and expertise are the result of his training and work experience in accounting, his long and successful business career, during which he served in several leadership positions culminating in his serving as the CEO of a global provider of electronic information, software and services, and his service on other public company boards and committees.

William Curt Hunter
Age: 68 Director since: 2004
Xerox securities owned: 158,505 DSUs and an indirect interest in approximately 8,065 common shares through the Deferred Compensation Plan for Directors and 50 common shares held by immediate family
Options/Rights: None
Occupation: Dean Emeritus, Tippie College of Business, University of Iowa
Education: BA, Hampton University; MBA, Northwestern University; PhD, Northwestern University
Other Directorships: Trustee of Nuveen Investments (since 2003); Wellmark, Inc. (since 2009)

Other Background: Served as Dean of Tippie College of Business at the University of Iowa from 2006 to 2012. From 2003 to 2006, held position of Dean and Distinguished Professor of Finance at the University of Connecticut. During a 15-year career with the Federal Reserve System, held various official positions including Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago and as Associate Economist on the Federal Reserve s Federal Open Market Committee (1995-2003). From 1988-1995, held appointments as research officer and senior financial economist, and then as vice president at the Federal Reserve Bank of Atlanta. Held faculty positions at the University of Georgia, Atlanta University, Emory University and Northwestern University. Chairman of the Finance Committee and member of the Audit Committee of Xerox.

Through his extensive service with the Federal Reserve System, Mr. Hunter brings to the Board expertise relevant to Xerox, including his financial literacy and expertise, accounting skills and competency and overall financial acumen. These skills and expertise are also the result of his education, service in various faculty positions at universities and his service on other public company boards and committees.

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Robert J. Keegan

Age: 68 Director since: 2010
Xerox securities owned: 78,732 DSUs
Options/Rights: None
Occupation: Operating Partner, Friedman Fleischer & Lowe; Retired Chairman of the Board, Chief Executive Officer and President, The Goodyear Tire & Rubber Company
Education: BA, LeMoyne College; MBA, University of Rochester
Other Directorships: The Goodyear Tire & Rubber Company (2000-2010)

Other Background: Since his retirement from The Goodyear Tire & Rubber Company, Mr. Keegan has served as an Operating Partner of Friedman Fleischer & Lowe, a venture capital and private equity firm, as well as an officer or board member of several of its portfolio companies, including serving as Chairman of the Board of Transtar Holding, Co. Prior to his retirement, Mr. Keegan served as President and Director of The Goodyear Tire & Rubber Company since 2000, and served as its Chief Executive Officer and Chairman of the Board from 2003 to 2010. He joined Goodyear in 2000 and held a number of leadership positions, including Chief Operating Officer. Previously he served as Executive Vice President of Eastman Kodak from 1997 until 2000. He held various marketing, financial and managerial posts at Eastman Kodak Company from 1972 through 2000, except for a two year period beginning in 1995 when he was an Executive Vice President of Avery Dennison Corporation. Chairman of the Compensation Committee and member of the Audit Committee of Xerox.

From his extensive leadership experience of large public companies, including chief executive officer and chairman of the board of The Goodyear Tire & Rubber Company, Mr. Keegan brings to the Board expertise relevant to Xerox, including his broad business experience, executive leadership expertise and extensive knowledge of financial and operational matters. These skills and experience are the result of his long and successful career during which he served in several leadership positions at The Goodyear Tire & Rubber Company and Eastman Kodak Company, culminating in his serving as Chairman and CEO at The Goodyear Tire & Rubber Company, a leading global company.

Charles Prince

Age: 66 Director since: 2008
Xerox securities owned: 10,000 common shares, 104,233 DSUs
Options/Rights: None
Occupation: Retired Chairman and Chief Executive Officer, Citigroup Inc.
Education: BA, MA and JD, University of Southern California; LLM, Georgetown University
Other Directorships: Johnson & Johnson (since 2006)

Other Background: Served as Chief Executive Officer of Citigroup Inc. from 2003 to 2007 and as Chairman from 2006 to 2007. Previously Mr. Prince served as Chairman and Chief Executive Officer of Citigroup s Global Corporate and Investment Bank from 2002 to 2003, Chief Operating Officer from 2001 to 2002 and Chief Administrative Officer from 2000 to 2001. Mr. Prince began his career as an attorney at U.S. Steel Corporation in 1975 and in 1979 joined Commercial Credit Company (a predecessor company to Citigroup) where he held various management positions until 1995, when he was named Executive Vice President. Member of the Corporate Governance Committee and the Compensation Committee of Xerox.

Having served in several significant leadership positions in his long and successful career culminating in his serving as CEO of a global financial services company, Mr. Prince brings to the Board expertise relevant to Xerox, including a broad mix of business skills and experience, executive leadership expertise, organizational and operational management skills, international experience and knowledge of complex global business, financial and legal matters. These skills and experience are also the result of his education and his service on other public company boards and committees.

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Ann N. Reese

Age: 63 Director since: 2003

Xerox securities owned: 6,654 common shares and 145,051 DSUs

Options/Rights: None

Occupation: Executive Director, Center for Adoption Policy

Education: BA, University of Pennsylvania; MBA, New York University Graduate School of Business

Other Directorships: Sears Holdings (since 2005); Genesee and Wyoming Inc. (since 2012); The Jones Group Inc. (2003-2011)

Other Background: Co-founded the Center for Adoption Policy in 2001. Principal, Clayton, Dubilier & Rice, 1999 to 2000. Executive Vice President and Chief Financial Officer, ITT Corporation, 1995 to 1998; Treasurer, ITT Corporation, 1992 to 1995; Assistant Treasurer, ITT Corporation, 1987 to 1992. Chairman of the Corporate Governance Committee and member of the Finance Committee of Xerox.

From her broad experiences at ITT, Ms. Reese brings to the Board expertise relevant to Xerox, including her extensive executive experience in corporate finance, financial reporting and strategic planning, as well as her knowledge, perspective and corporate governance expertise. These skills and experience are the result of her long and successful career during which she served in several leadership positions, including chief financial officer and treasurer, and service on other public company boards and committees.

Stephen H. Rusckowski

Age: 58 Director since: 2015

Xerox securities owned: 18,748

Options/Rights: None

Occupation: President and Chief Executive Officer of Quest Diagnostics

Education: BS in Mechanical Engineering, Worcester Polytechnic Institute; Master of Science in Management, Massachusetts Institute of Technology s Sloan School of Management

Other Directorships: Quest Diagnostics (since 2012); Board of Management of Royal Phillips Electronics (2006-2012); Covidien (2013-2015)

Other Background: President and Chief Executive Officer of Quest Diagnostics since May 2012. Chief Executive Officer of Philips Healthcare from 2006 to 2012 and various positions at Philips Healthcare prior to that since 2001.

From his experience as chief executive officer of multinational services businesses operating in the healthcare industry, Mr. Rusckowski brings to the Board expertise relevant to Xerox, including his extensive executive leadership experience with expertise in strategic planning, company transformation, healthcare and international operations. These skills and expertise are also strengthened by his service on other public company boards and committees. Member of the Compensation Committee of Xerox.

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Sara Martinez Tucker

Age: 60 Director since: 2011
Xerox securities owned: 70,021 DSUs
Options/Rights: None
Occupation: Retired Chief Executive Officer, National Math and Science Initiative; Former Under Secretary of Education in the U.S. Department of Education
Education: Bachelor of Journalism and MBA, University of Texas at Austin; honorary doctorates conferred by Boston College, the University of Maryland University College and the University of Notre Dame
Other Directorships: American Electric Power Co., Inc. (since 2009); Sprint Corporation (since 2013)

Other Background: Retired Chief Executive Officer, National Math and Science Initiative (2013-2015). Former Under Secretary of Education in the U.S. Department of Education (2006 2008). Chief executive officer and president of the Hispanic Scholarship Fund from 1997 to 2006. Prior experience as an AT&T executive. Member of the Corporate Governance Committee and the Finance Committee of Xerox.

Through her various leadership positions in government and education, Ms. Tucker brings to the Board expertise relevant to Xerox, including her business experience and executive leadership expertise. These skills and experience are the result of her education, service at the United States Department of Education, leadership positions at the Hispanic Scholarship Fund and her service on other public company boards and committees.

The Board of Directors recommends a vote

FOR

the election of the eight (8) Directors nominated by the Board of Directors

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CORPORATE GOVERNANCE

Xerox is committed to the highest standards of business integrity and corporate governance. All of our directors, executives and employees must act ethically. In addition, our directors must act in accordance with our Code of Business Conduct and Ethics for Members of the Board of Directors; our principal executive officer, principal financial officer and principal accounting officer, among others, must act in accordance with our Finance Code of Conduct; and all of our executives and employees must act in accordance with our Code of Business Conduct. Each of these codes of conduct, as well as our Corporate Governance Guidelines and the charters of our Audit, Compensation, Corporate Governance and Finance Committees can be accessed through our website at www.xerox.com/governance. They are also available to any shareholder who requests them in writing addressed to Xerox Corporation, 45 Glover Avenue, P.O. Box 4505, Norwalk, CT 06856-4505, Attention: Corporate Secretary. We will disclose any future amendments to, or waivers from, provisions of our Code of Business Conduct and Ethics for members of the Board of Directors and, our Code of Business Conduct and our Finance Code of Conduct for our officers on our website as promptly as practicable, as may be required under applicable SEC and NYSE rules. The Corporate Governance Committee of the Board periodically reviews and reassesses the adequacy of our overall corporate governance, Corporate Governance Guidelines and committee charters.

Recent Developments

January 2016 Announcement of Xerox Separation Transaction

On January 29, 2016, we announced that our Board of Directors had unanimously approved management s plan to separate into two independent, publically-traded companies: a business processing outsourcing company and a document technology company. The transaction is intended to be tax-free to Xerox shareholders for federal income tax purposes. Our objective is to complete the separation by year-end 2016, subject to customary conditions, receipt of regulatory approvals, the effectiveness of a Form 10 filing with the SEC, tax considerations, securing any necessary financing and final approval of the Board.

Director Nomination Process

The Corporate Governance Committee considers candidates for Board membership recommended by Board members, management, shareholders and others (see below). The Corporate Governance Guidelines require that a substantial majority of the Board consist of independent directors and that management representation on the Board should be limited to senior Company management. There are no specific minimum qualifications that the Corporate Governance Committee believes must be met by prospective candidates; however, the Corporate Governance Committee applies the criteria set forth in our Corporate Governance Guidelines. These criteria include, among other things, the candidate s broad perspective, integrity, independence of judgment, experience, expertise, diversity, ability to make independent analytical inquiries, understanding of the Company s business environment and willingness to devote adequate time and effort to Board responsibilities. The Corporate Governance Committee does not assign specific weight to particular criteria and no particular criterion is necessarily applicable to all prospective nominees.

Our Corporate Governance Guidelines dictate that diversity should be considered by the Corporate Governance Committee in the director identification and nomination process. This means that the Corporate Governance Committee seeks nominees who bring a variety of business backgrounds, experiences and perspectives to the Board. We believe that the backgrounds and qualifications of the directors, considered as a group, should provide a broad diversity of experience, professions, skills, geographic representations, knowledge and abilities that will allow the Board to fulfil its responsibilities. Shareholders who wish to recommend individuals for consideration by the Corporate Governance Committee may do so by submitting a written recommendation to the Secretary of the Company at Xerox Corporation, 45 Glover Avenue, P.O. Box 4505, Norwalk, CT 06856-4505. Submissions must include sufficient biographical information concerning the recommended individual, including age, employment and current board memberships (if any), for the Corporate Governance Committee to consider. The submission must be accompanied by the written consent of the nominee to stand for election if nominated by the Board and to serve if elected by the shareholders. Recommendations received no earlier than November 5, 2016 and no later than December 5, 2016, will be considered for nomination at the 2017 Annual Meeting of Shareholders.

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Board Leadership Structure

We believe that the most effective board structure is one that emphasizes Board independence and ensures that the Board s deliberations are not dominated by management while also ensuring that the Board and senior management act with a common purpose and in the best interest of the Company. We believe this balance is achieved through the appointment of our CEO as Chairman of the Board and the appointment of a lead independent director.

Accordingly, our CEO serves as Chairman of the Board of Directors and Ann N. Reese serves as lead independent director. Our lead independent director s responsibilities include: presiding at executive sessions of the independent directors; calling special meetings of the independent directors, as needed; addressing individual Board member performance matters, as needed; and serving as liaison on Board-wide issues between the independent directors and the CEO, as needed. Under our Corporate Governance Guidelines, each regularly scheduled Board meeting must include an executive session of all directors and the CEO and a separate executive session attended only by the independent directors. Our Board is 87.5 percent comprised of directors who qualify as independent directors and each of our standing Board committees is comprised solely of independent directors, including our Corporate Governance Committee, which establishes our corporate governance policy and monitors the effectiveness of policy at the Board level. The lead independent director is instrumental in working with the Chairman and CEO and other Board members to provide effective, independent oversight of the Company s management and affairs. You can find more information on the lead independent director in the Corporate Governance Guidelines posted on the Company s website at *www.xerox.com/governance*.

Risk Oversight

Our Board of Directors has ultimate oversight responsibility for our Enterprise Risk Management (ERM) process. The Board oversees our ERM process through the Audit Committee of the Board of Directors, which previews the ERM assessment and process for subsequent review by the Board. Our ERM process is designed to strengthen our risk-management capability and to assess, monitor, and manage all categories of business risk, including strategic, operational, compliance and financial reporting. The Company s Chief Financial Officer is responsible for the Company s ERM function through the Enterprise Risk Steering Committee, which includes the direct reports to the CEO, as well as our Chief Information Officer, our Vice President, Financial Planning and Analysis and Global Finance Shared Services, and our Chief Audit Executive. The Enterprise Risk Steering Committee inspects risk mitigation plans and progress, identifies and addresses emerging risks, and shares mitigation best practices across the Company. Additionally, to ensure that ERM is integrated with our business management, the Company s Management Committee, the Business Ethics and Compliance Board, and various Internal Control committees monitor risk exposure and the effectiveness of how we manage these risks.

While the Board of Directors has ultimate oversight responsibility for the risk management process, various committees of the Board have been delegated responsibility for certain aspects of risk management. In addition to the Audit Committee s responsibility to oversee the overall ERM process, the Audit Committee focuses on financial risk, including risks associated with internal controls, audit, financial reporting and disclosure matters, and also on our Ethics, Litigation, and Information Security/Cyber Security risk mitigation plans and progress. In addition, the Compensation Committee seeks to incent executive employees in a manner that discourages unnecessary or inappropriate risk-taking, while encouraging a level of risk-taking behavior consistent with the Company s business strategy. In parallel, the Board s Corporate Governance and Finance Committees oversee aspects of our Environment and Global Economy risks, respectively, and on an as needed basis, special sub-Committees are established to focus on specific business risks.

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Director Independence

A director is not considered independent unless the Board determines that he or she has no material relationship with the Company. The Board has adopted categorical standards to assist in both its determination and the Corporate Governance Committee s recommendation as to each director s independence. Under these categorical standards, a director will be presumed not to have a material relationship with the Company if:

1) he or she satisfies the bright-line independence and other applicable requirements under the listing standards of the NYSE and all other applicable laws, rules and regulations regarding director independence, in each case from time to time in effect;

2) he or she is not a current employee (and none of his or her immediate family members is employed as an executive officer, each as defined by the NYSE Corporate Governance Rules) of a company that has made payments to, or received payments from, the Company or any of its consolidated subsidiaries for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million or one percent of such other company s consolidated gross revenues; and

3) in the event that he or she serves as an executive officer or director of a charitable organization, the Company and its consolidated subsidiaries donated less than five percent of that organization s charitable receipts (provided that if within the preceding three years the Company and its consolidated subsidiaries donated annual aggregate contributions in excess of $1 million or two percent of the annual consolidated gross revenue of the charitable organization, such contributions must be disclosed in the Company s Proxy Statement).

Our Board has determined that all of the nominees for election as directors are independent under the NYSE Corporate Governance Rules and our Corporate Governance Guidelines, with the exception of Ursula M. Burns, our Chairman of the Board and Chief Executive Officer.

In addition, the Corporate Governance Committee reviews relationships involving members of the Board, their immediate family members and affiliates, and transactions in which members of the Board, their immediate family members and their affiliates have a direct or indirect interest in which the Company is a participant to determine whether such relationship or transaction is material and could impair a director s independence. In making independence determinations, the Board considers all relevant facts and circumstances from the point of view of both the director and the persons or organizations with which the director has relationships. See *Certain Relationships and Related Person Transactions.*

As a result of the aforementioned review, 87.5% of our nominees for election as directors are deemed to be independent.

Certain Relationships and Related Person Transactions

Related Person Transactions Policy

The Board has adopted a policy addressing the Company s procedures with respect to the review, approval and ratification of related person transactions that are required to be disclosed pursuant to Item 404(a) of Regulation S-K. The policy provides that any transaction, arrangement or relationship, or series of similar transactions, in which the Company will participate or has participated and a related person (as defined in Item 404(a) of Regulation S-K) has or will have a direct or indirect material interest, and which exceeds $120,000 in the aggregate, is subject to review (each such transaction, a Related Person Transaction). In its review of Related Person Transactions, the Corporate Governance Committee reviews the material facts and circumstances of the transaction and takes into account certain factors, where appropriate, based on the particular facts and circumstances, including: (i) the nature of the related person s interest in the transaction; (ii) the significance of the transaction to the Company and to the related person ; and (iii) whether the transaction is likely to impair the judgment of the related person to act in the best interest of the Company.

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No member of the Corporate Governance Committee may participate in the review, approval or ratification of a transaction with respect to which he or she is a related person.

Certain Employment Arrangements

We actively recruit qualified candidates for our employment needs. Relatives of our executive officers and other employees are eligible for hire. In 2015, we had two non-executive employees who were employed by Xerox or one of its subsidiaries who received more than $120,000 in annual compensation (salary, incentive cash awards, equity awards and commissions) and are related to our current executive officers, including executive officers who are also directors. These are routine employment arrangements entered into in the ordinary course of business with compensation commensurate with that of their peers. The terms of their employment are consistent with the Company s human resources policies. Kimberly Finley, spouse of Joseph H. Mancini Jr., our Chief Accounting Officer, earned $400,004 in compensation during 2015. Ms. Finley is Director, Tax Accounting at Xerox and has been with Xerox for 24 years. The remaining employee received less than $200,000 in compensation during 2015.

BOARD OF DIRECTORS AND BOARD COMMITTEES

Committee Functions, Membership and Meetings

Our Board of Directors has four standing committees: Audit, Compensation, Corporate Governance and Finance. Set forth below is a list of the committees of our Board, a summary of the responsibilities of each committee, the number of committee meetings held during 2015 for each committee and a list of the members of each committee.

Audit Committee (12 meetings)

A copy of the charter of the Audit Committee is posted on the Company s website at *www.xerox.com/governance*.

The responsibilities of the Audit Committee include:

- oversee the integrity of the Company s financial statements;
- oversee the Company s compliance with legal and regulatory requirements;
- oversee the Company s risk assessment policies and practices, including the ERM process, and preview the ERM assessment and process for subsequent review by the Board;
- assess independent auditors qualifications and independence;
- assess performance of the Company s independent auditors and the internal audit function;
- review the Company s audited financial statements, including the Company s Management s Discussion and Analysis of Financial Condition and Results of Operations, and recommend to the Board their inclusion in the Company s Annual Report on Form 10-K; and
- review and approve the Company s code of business conduct and ethics.

The Audit Committee is also responsible for the preparation of the Audit Committee Report that is included in this Proxy Statement beginning on page 64.

Members: Richard J. Harrington; William Curt Hunter; and Robert J. Keegan

Chairman: Mr. Harrington

The Board has determined that all of the members of the Audit Committee are (1) independent under the Company s Corporate Governance Guidelines and under the applicable SEC and NYSE Corporate Governance Rules and (2) audit committee financial experts, as defined in the applicable SEC rules, and are financially literate. Designation or identification of a person as an audit committee financial expert does not impose any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Audit Committee and the Board in the absence of such designation or identification.

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Compensation Committee (4 meetings)

A copy of the charter of the Compensation Committee is posted on the Company s website at *www.xerox.com/governance*.

The responsibilities of the Compensation Committee include:

- oversee development and administration of the Company s executive compensation plans;
- set the compensation of the CEO and other executive officers;
- review and approve the performance goals and objectives with respect to the compensation of the CEO and other executive officers;
- oversee the evaluation of the CEO and other executive officers;
- have sole authority to retain and terminate the consulting firms engaged to assist the Committee in the evaluation of the compensation of the CEO and other executive officers;
- be directly responsible for oversight of the work of the compensation consultants, including determination of compensation to be paid to any such consultant by the Company;
- conduct an independence assessment of any compensation consultants, including consideration of the six independence factors required under SEC rules and NYSE listing standards; and
- review and approve employment, severance, change-in-control, termination and retirement arrangements for executive officers.

The Compensation Committee is also responsible for reviewing and discussing the Compensation Discussion and Analysis (CD&A) with management, and has recommended to the Board that the CD&A be included in the Company s Proxy Statement (beginning on page 26) and incorporated by reference in the Company s 2015 Annual Report on Form 10-K. The CD&A discusses the material aspects of the Company s compensation objectives, policies and practices. The Compensation Committee s report appears on page 47 of this Proxy Statement.

The Compensation Committee has not delegated its authority for compensation for executive officers. The Compensation Committee has, however, delegated authority under the Company s equity plan to the CEO to grant equity awards to employees who are not executive officers. The CEO is also responsible for setting the compensation of, reviewing performance goals and objectives for, and evaluating officers who are not executive officers.

Executive officer compensation decisions are made by the Compensation Committee after discussing recommendations with the CEO and the Senior Vice President of Human Resources. The Chief Financial Officer confirms the Company s financial results used by the Compensation Committee to make compensation decisions. The Chief Financial Officer attends Compensation Committee meetings to discuss financial targets and results for the Annual Performance Incentive Plan and the Executive Long-Term Incentive Program as described in the CD&A. The Compensation Committee meets in executive session to review and approve compensation actions for the CEO.

The Compensation Committee has retained Frederic W. Cook & Co., Inc. (F.W. Cook) as an independent consultant to the Compensation Committee. F.W. Cook provides no services to management and provides an annual letter to the Compensation Committee regarding its independence, which the Compensation Committee reviews and determines whether there is any conflict of interest. Based on its review for 2015, the Compensation Committee determined that F.W. Cook s work has not raised any conflict of interest and that such firm is independent. The consultant s responsibilities are discussed on page 31 of this Proxy Statement.

Members: Robert J. Keegan; Charles Prince; and Stephen H. Rusckowski.

Chairman: Mr. Keegan

The Board has determined that all of the members of the Compensation Committee are independent under the Company s Corporate Governance Guidelines and NYSE Corporate Governance Rules. In addition, each Committee member is a non-employee director as defined in Rule 16b-3 under the Securities Exchange Act of 1934, and is an outside director as defined in section 162(m) of the Internal Revenue Code. Ann Reese, who served on the Compensation Committee until May 20, 2015, satisfied the foregoing independence standards during her time as a member of the Compensation Committee.

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Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee was or is an officer or employee of the Company or any of its subsidiaries. In addition, during the last fiscal year, none of our executive officers served on the compensation committee (or its equivalent) or board of directors of another entity whose executive officer served on our Board or Compensation Committee.

Corporate Governance Committee (4 meetings)

A copy of the charter of the Corporate Governance Committee is posted on the Company s website at *www.xerox.com/governance*.

The responsibilities of the Corporate Governance Committee include:

- identify and recommend to the Board individuals to serve as directors of the Company and on Board committees;
- advise the Board regarding Board composition, procedures and committees;
- develop, recommend to the Board and annually review the corporate governance principles applicable to the Company;
- review significant environmental and corporate social responsibility matters;
- administer the Company s Related Person Transactions Policy;
- evaluate and recommend director compensation to the Board; and
- oversee the annual Board and committee evaluation processes.

The Corporate Governance Committee recommends to the Board nominees for election as directors of the Company and considers the performance of incumbent directors in determining whether to recommend their nomination.

Members: Charles Prince; Ann N. Reese; and Sara Martinez Tucker

Chairman: Ms. Reese

The Board has determined that all of the members of the Corporate Governance Committee are independent under the Company s Corporate Governance Guidelines and the NYSE Corporate Governance Rules. Mary Agnes Wilderotter, who served on the Corporate Governance Committee until October 20, 2015, satisfied the foregoing independence standards during her time as a member of the Corporate Governance Committee.

Finance Committee (5 meetings)

A copy of the charter of the Finance Committee is posted on the Company s website at *www.xerox.com/governance*.

The responsibilities of the Finance Committee are:

- review the Company s cash position, capital structure and strategies, financing strategies, insurance coverage and dividend policy;
- review the adequacy of funding of the Company s funded retirement plans and welfare benefit plans in terms of the Company s purposes; and
- review the Company s policy on derivatives and annually determine whether the Company and its subsidiaries shall enter into swap and security-based swap transactions that are not cleared with a Commodity Exchange Act registered clearing organization.

Members: William Curt Hunter; Ann N. Reese; and Sara Martinez Tucker.

Chairman: Mr. Hunter

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The Board has determined that all of the members of the Finance Committee are independent under the Company s Corporate Governance Guidelines and the NYSE Corporate Governance Rules. Mary Agnes Wilderotter who served as the Finance Committee Chairman until October 20, 2015, satisfied the foregoing independence standards during her time as a member of the Finance Committee.

Attendance and Compensation of Directors

Attendance: 8 meetings of the Board of Directors and 25 meetings of the Board committees were held in 2015. All incumbent directors attended at least 75 percent of the total number of meetings of the Board, and Board committees on which they served. The Company s policy generally is for all members of the Board to attend the Annual Meeting of Shareholders. All nominees who served as directors last year attended the 2015 Annual Meeting of Shareholders. We believe that attendance at meetings is only one means by which directors may contribute to the effective management of the Company and that the contributions of all directors have been substantial and are highly valued.

Summary of Annual Director Compensation

Compensation for our directors is determined by the Corporate Governance Committee and approved by the full Board. Directors who are our employees receive no additional compensation for serving as a director. Accordingly, Ms. Burns did not receive any additional compensation for her service on the Board during 2015.

During 2015, the annual cash retainer for directors is $80,000; the value of the annual equity retainer for directors is $130,000; the chairman of the Audit Committee receives an additional $20,000; Audit Committee members each receive an additional $10,000; the chairman of the Compensation Committee receives an additional $15,000; Compensation Committee members each receive an additional $7,500; the chairmen of the Corporate Governance and Finance Committees each receive an additional $10,000; and the Lead Independent Director receives an additional $25,000. Directors do not have an option to receive additional equity in lieu of cash. Directors also receive reimbursement for out-of-pocket expenses incurred in connection with their service on the Board.

Each non-employee director is required to establish a meaningful equity ownership interest in the Company. This equity ownership interest is achieved by paying the director s annual equity retainer in DSUs. By serving on the Board of Directors for a period of approximately two years, a director would hold DSUs equivalent in value (as of date of grant) to at least three times a director s current annual cash retainer. All of our independent directors (except for Stephen H. Rusckowski, who was appointed to the Board in February, 2015) currently hold DSUs in excess of this amount. The longer a director serves on the Board and is paid an equity retainer in the form of DSUs, the larger his/her equity ownership interest in the Company becomes because, by their terms, all DSUs are required to be held by directors until the earlier of one year after the termination date of Board service or the date of death.

Each non-employee director is also prohibited from engaging in short-swing trading and trading in puts and calls with respect to Xerox stock and is prohibited from using any strategies or products to hedge against the potential changes in the value of Xerox stock. In addition, under the Company s insider trading policy, directors are effectively precluded from pledging Xerox stock as collateral since their stock can only be sold during window periods and under trading plans pursuant to SEC Rule 10b5-1, and therefore is not available to be sold at any time.

DSUs are a bookkeeping entry that represent the right to receive one share of the Company s Common Stock at a future date. DSUs include the right to receive dividend equivalents, which are credited in the form of additional DSUs, at the same time and in approximately the same amounts that the holder of an equivalent number of shares of Common Stock would be entitled to receive in dividends. The DSUs are issued under the

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2004 Directors Plan, which was approved by Xerox shareholders at the 2004 Annual Meeting of Shareholders and amended and restated, with shareholder approval, in 2013. Individually, the compensation for each non-employee director during fiscal year 2015 was as follows:

Richard J. Harrington	100,000	130,000	-	-	-	-	230,000
William Curt Hunter	90,000	130,000	-	-	-	-	220,000
Robert J. Keegan	105,000	130,000	-	-	-	-	235,000
Charles Prince	87,500	130,000	-	-	-	-	217,500
Ann N. Reese	118,750	130,000	-	-	-	-	248,750
Stephen H. Rusckowski	77,084	119,167	-	-	-	-	196,251
Sara Martinez Tucker	80,000	130,000	-	-	-	-	210,000
Mary Agnes Wilderotter	90,000	108,334	-	-	-	-	198,334

(1) Ms. Wilderotter served on the Board until her resignation effective October 20, 2015. Mr. Rusckowski was appointed to the Board effective February 19, 2015.

(2) The cash value of compensation awarded in the form of DSUs is reflected in this column. The amount presented in this column reflects the aggregate grant date fair value of the DSUs awarded during 2015 computed in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 718, Compensation Stock Compensation.

The total number and value of all DSUs (including dividend equivalents) as of the end of 2015 (based on the year-end closing market price of our Common Stock of $10.63) held by each director is as follows: Mr. Harrington, 127,617 ($1,356,569); Mr. Hunter, 150,275 ($1,597,423); Mr. Keegan, 71,024 ($754,985); Mr. Prince, 96,358 ($1,024,286); Ms. Reese, 136,909 ($1,455,343); Mr. Rusckowski, 11,433 ($121,533); Ms. Tucker, 62,370 ($662,993); and Mrs. Wilderotter, 107,044 ($1,137,878).

(3) In accordance with applicable SEC rules, dividend equivalents paid in 2015 on DSUs are not included in All Other Compensation because those amounts were factored into the grant date fair values of the DSUs.

For information on compensation for Ursula M. Burns, our director who is also the Chief Executive Officer of Xerox, see the executive compensation tables beginning on page 48.

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SECURITIES OWNERSHIP

Ownership of Company Securities

We are not aware of any person who, or group which, owns beneficially more than 5% of any class of the Company s equity securities as of December 31, 2015, except as set forth below[1].

Common Stock	Carl C. Icahn c/o Icahn Associates Corp. 767 Fifth Ave, Suite 4700 New York, NY 10153	92,377,043 (2)	9.1%
Common Stock	The Vanguard Group, Inc. 1041 W Valley Rd Malvern, PA 19355	82,986,320 (3)	8.2%
Common Stock	BlackRock, Inc. 40 East 52nd Street New York, NY 10022	63,281,140 (4)	6.3%
Common Stock	Darwin Deason 8181 Douglas Avenue, 10th Floor Dallas, TX 75225	61,795,697 (5)	6.1%
Common Stock	Macquarie Group Limited No.1 Martin Place Sydney, New South Wales, Australia	58,004,438 (6)	5.7%
Common Stock	State Street Corporation, as Trustee under other plans and accounts State Street Financial Center One Lincoln Street Boston, MA 02111	52,864,366 (7)	5.2%

(1) The words group and beneficial are as defined in regulations issued by the SEC. Beneficial ownership under such definition means possession of sole voting power, shared voting power, sole dispositive power or shared dispositive power. The information provided in this table is based solely upon the information contained in the most recent Schedule 13G or 13G/A (or in the case of Mr. Icahn, the most recent Schedule 13D/A) filed by the named entity with the SEC (other than the information provided regarding the holdings of State Street Corporation acting as ESOP Trustee under the Xerox ESOP). BlackRock, Inc. is a registered investment adviser under the Investment Advisers Act of 1940, as amended (Investment Advisers Act), and has subsidiaries that are also investment advisers under the Investment Advisers Act with beneficial ownership of the reported shares.

(2) Represents shares held by the following group of entities associated with Mr. Carl C. Icahn: High River Limited Partnership (High River), Hopper Investments LLC (Hopper), Barberry Corp. (Barberry), Icahn Partners Master Fund LP (Icahn Master), Icahn Offshore LP (Icahn Offshore), Icahn Partners LP (Icahn Partners), Icahn Onshore LP (Icahn Onshore), Icahn Capital LP (Icahn Capital), IPH GP LLC (IPH), Icahn Enterprises Holdings L.P. (Icahn Enterprises Holdings), Icahn Enterprises G.P. Inc. (Icahn Enterprises GP) and Beckton Corp. (Beckton)(collectively, the Reporting Persons). The principal business address of each of (i) High River, Hopper, Barberry, Icahn Offshore, Icahn Partners, Icahn Master, Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP and Beckton is White Plains Plaza, 445 Hamilton Avenue - Suite 1210, White Plains, NY 10601, and (ii) Mr. Icahn is c/o Icahn Associates Holding LLC, 767 Fifth Avenue, 47th Floor, New York, NY 10153.

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The Reporting Persons may be deemed to beneficially own, in the aggregate, 92,377,043 shares, representing approximately 9.12% of the Issuer s outstanding shares (based upon the 1,012,402,754 shares stated to be outstanding as of September 30, 2015 by the Company in the Company s Quarterly Report on Form 10-Q filed with the SEC on October 30, 2015).

High River has sole voting power and sole dispositive power with regard to 18,475,408 shares. Each of Hopper, Barberry and Mr. Icahn has shared voting power and shared dispositive power with regard to such shares. Icahn Master has sole voting power and sole dispositive power with regard to 30,708,164 shares. Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power and shared dispositive power with regard to such shares. Icahn Partners has sole voting power and sole dispositive power with regard to 43,193,471 shares. Each of Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power and shared dispositive power with regard to such shares.

Each of Hopper, Barberry and Mr. Icahn, by virtue of their relationships to High River, may be deemed to indirectly beneficially own the shares which High River directly beneficially owns. Each of Hopper, Barberry and Mr. Icahn disclaims beneficial ownership of such shares for all other purposes. Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn, by virtue of their relationships to Icahn Master, may be deemed to indirectly beneficially own the shares which Icahn Master directly beneficially owns. Each of Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn disclaims beneficial ownership of such shares for all other purposes. Each of Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn, by virtue of their relationships to Icahn Partners, may be deemed to indirectly beneficially own the shares which Icahn Partners directly beneficially owns. Each of Icahn Onshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn disclaims beneficial ownership of such shares for all other purposes.

The immediately preceding information in this footnote is based solely on the Schedule 13D/A filed with the SEC on January 28, 2016 by Mr. Icahn and entities associated with Mr. Icahn.

(3) The Vanguard Group, Inc. and its subsidiary companies have sole voting power for 1,777,371 shares, sole dispositive power for 81,088,321 shares, shared dispositive power for 1,897,999 shares and have no shared voting power for any of the shares.

(4) BlackRock, Inc. and its subsidiary companies have sole voting power for 52,431,501 shares and sole dispositive power for 63,281,140 shares, and have no shared voting power or shared dispositive power for any of the shares.

(5) Based solely on the Schedule 13G/A filed on January 8, 2016, Darwin Deason has sole voting power and sole dispositive power for 61,795,697 shares, and has no shared dispositive or shared voting power for any of the shares. The percent of class is based on 1,012,835,036 shares of the Company s total common stock outstanding on December 30, 2015.

(6) Represents shares held by the following group of entities associated with Macquarie Group Limited: Macquarie Bank Limited; Macquarie Investment Management Limited; Macquarie Investment Management Austria Kapitalanlage AG; Delaware Management Holdings, Inc. and Delaware Management Business Trust. The principal business address of Macquarie Group Limited and Macquarie Bank Limited is No.1 Martin Place Sydney, New South Wales, Australia. The principal business address of Delaware Management Holdings Inc. and Delaware Management Business Trust is 2005 Market Street, Philadelphia, PA 19103.

The Reporting Persons may be deemed to beneficially own, in the aggregate, 58,004,438 shares (due to Macquarie Group Limited s ownership of Macquarie Bank Limited, Macquarie Investment Management Limited, Macquarie Investment Management Austria Kapitalanlage AG, Delaware Management Holdings Inc. and Delaware Management Business Trust), representing approximately 5.72% of the Issuer s outstanding shares as of December 31, 2015.

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Each of Macquarie Group Limited and Macquarie Bank Limited reports that it has no voting or dispositive power with regard to any shares. Macquarie Investment Management Limited has sole voting and dispositive power with regard to 286,046 shares and no shared voting or dispositive power with respect to any shares. Macquarie Investment Management Austria Kapitalanlage AG has sole voting and dispositive power with regard to 311,000 shares and no shared voting or dispositive power with respect to any shares. Delaware Management Holdings Inc. has sole voting and dispositive power with regard to 55,105,316 shares and is deemed to beneficially own 57,404,056 shares due to its ownership of Delaware Management Business Trust which reports total beneficial ownership of 57,404,056 shares, sole voting and dispositive power with regard to 55,105,316 shares and no shared voting or dispositive power with respect to any shares.

(7) Within the total shares reported, as to certain of the shares, State Street Corporation has shared voting power and shared dispositive power for 52,864,366 shares, and has no sole voting power or sole dispositive power for any of the shares. As of December 31, 2015, State Street Corporation held 6,530,881 of the total reported shares as ESOP Trustee under the Xerox ESOP. Each ESOP participant may direct the ESOP Trustee as to the manner in which shares allocated to his or her ESOP account shall be voted. The ESOP Trust Agreement provides that the ESOP Trustee shall vote any shares allocated to participants ESOP accounts as to which it has not received voting instructions in the same proportions as shares in participants ESOP accounts as to which voting instructions are received. The power to dispose of shares is governed by the terms of the ESOP Plan and elections made by ESOP participants.

Shares of Common Stock of the Company owned beneficially by the directors and nominees for director, each of the current executive officers named in the Summary Compensation Table and all directors and current executive officers as a group, as of February 29, 2016, were as follows:

Ursula M. Burns	2,229,581	2,260,608
Richard J. Harrington	856	136,554
William Curt Hunter	50	166,620
Jeffrey Jacobson	65,500	103,844
Robert J. Keegan	0	78,732
Don H. Liu	300,243	540,467
Kathryn A. Mikells*	0	0
Charles Prince	10,000	114,233
Ann N. Reese	6,654	151,705
Stephen H. Rusckowski	0	18,748
Sara Martinez Tucker	0	70,021
Leslie F. Varon	228,757	309,898
Robert K. Zapfel	40,000	127,413
All directors and executive officers as a group (16)	3,797,815	5,144,276

* As a result of Ms. Mikells stepping down from her position as Executive Vice President and CFO, effective October 31, 2015, all of her stock awards were forfeited.

Percent Owned by Directors and Executive Officers: Each director and executive officer beneficially own less than 1% of the aggregate number of shares of Common Stock outstanding at February 29, 2016. The amount beneficially owned by all directors and executive officers as a group also amounted to less than 1%.

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Amount Beneficially Owned: The numbers shown are the shares of Common Stock considered beneficially owned by the directors and executive officers in accordance with SEC rules. Shares of Common Stock which executive officers and directors had a right, within 60 days of February 29, 2016, to acquire upon the exercise of options or rights or upon vesting of performance shares, DSUs or restricted stock units are included. Shares held in a grantor retained annuity trust or by family members, shares held in the ESOP accounts and vested shares, the receipt of which have been deferred under one or more equity compensation programs, are also included. All these are counted as outstanding for purposes of computing the percentage of Common Stock outstanding and beneficially owned by such person.

Total Stock Interest: The numbers shown include the amount shown in the Amount Beneficially Owned column plus options held by directors and executive officers not exercisable within 60 days of February 29, 2016 and DSUs, performance shares and restricted stock units not subject to vesting within 60 days of February 29, 2016. The numbers also include the interests of executive officers and directors in the Xerox Stock Fund under the Xerox Corporation Savings Plan and the Deferred Compensation Plans.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the 1934 Act (Section 16) requires the Company s directors, executive officers and persons who own more than ten percent of the Common Stock of the Company, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership of Common Stock of the Company. Directors, executive officers and greater than ten percent shareholders are required by the regulations of the SEC to furnish the Company with copies of all Section 16(a) reports they file. Based solely on review of the copies of such reports furnished to the Company or written representations that no other reports were required to be filed with the SEC, the Company believes that all reports for the Company s directors and executive officers that were required to be filed under Section 16 during the fiscal year ended December 31, 2015 were timely filed, except for Darrell L. Ford and Leslie Varon who each had one late filing.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

2015 Financial Performance

The financial results of the Company during 2015 were mixed. Our Technology businesses continued to execute with strong cost and operational discipline as revenues were pressured by normal secular declines and weak developing markets economies. Document Outsourcing was a bright spot within Services as most Business Processing Outsource (BPO) areas fell short of our plan. We successfully completed the Information Technology Outsourcing (ITO) divestiture and made the difficult decision to narrow our Government Healthcare focus. We realigned our BPO go-to-market approach and implemented our global delivery capability model to improve both service delivery quality and efficiency. Finally, we returned significant cash to our shareholders via dividends and share repurchase but we fell short of our initial acquisition goals.

Highlights of our 2015 financial performance include:

Total revenue of $18.0 billion declined 8% from 2014, including a 4% negative impact from currency with different dynamics playing out across our two segments. Revenues in our Services segment declined 1% on a constant currency basis. Document Outsourcing segment revenues grew 3%, driven by strong equipment sale revenue. BPO revenue declined 1%, driven by the run-off in the student loan business, the Texas Medicaid contract termination and the decision to not fully complete the Health Enterprise implementations in California and Montana. These headwinds were partially offset by modest inorganic growth, mainly in Commercial Healthcare and organic growth, especially in High-Tech & Communication.

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Revenues in our Document Technology segment declined 8% (on a constant currency basis), driven by weakness in developing markets reflecting economic instability in several regions and strong unfavorable currency movements, combined with continued migration of our customers to Document Outsourcing. Including Document Outsourcing, Document related revenue was down 4% or half the Technology segment decline.

Adjusted earnings per share (EPS) from continuing operations of $0.98 was 9 cents lower than 2014, as lower operating profit was partially offset by an 8% lower share count resulting from share repurchases. The operating profit decline was due to declines in both Services and Document Technology. The decline in Services was driven by targeted resource and other investments as well as higher costs associated with our Government Healthcare Services Health Enterprise platform implementations prior to the announced changes in strategy. In 2015, we changed our Government Healthcare strategy, including deciding to not fully complete the Health Enterprise Medicaid platform implementations in California and Montana. These decisions will enable us to improve our financial performance and significantly reduce the volatility of our Services results going forward.

Document Technology profit declined due to lower gross margin, higher pension expense and unfavorable currency. These negative impacts were partially offset in both segments by restructuring savings and productivity improvements. See Item 7 - Management s Discussion and Analysis of Financial Condition and Results of Operations in our Form 10-K for the fiscal year ended December 31, 2015 for a reconciliation of our adjusted EPS to our GAAP EPS.

Operating cash flow was $1.6 billion. Solid cash generation combined with the proceeds from the ITO divestiture enabled us to continue to provide a strong return to shareholders through our share repurchase program and dividends.

Named Executive Officers

Our executive compensation program plays an important role in attracting, retaining and rewarding individuals with the ability, drive and vision to lead our business, support our long-term success and deliver shareholder value. Our named executive officers for fiscal year 2015 are:

Ursula M. Burns	Chairman and Chief Executive Officer
Kathryn A. Mikells	Former Executive Vice President and Chief Financial Officer
Don H. Liu	Executive Vice President, General Counsel and Secretary
Robert K. Zapfel	Executive Vice President; President, Xerox Services
Jeffrey Jacobson	Executive Vice President; President, Xerox Technology
Leslie F. Varon	Vice President, Investor Relations and Interim Chief Financial Officer

During fiscal year 2015, the role of Chief Financial Officer (CFO) was filled initially by Kathryn A. Mikells. Ms. Mikells stepped down from her position as Executive Vice President and CFO effective October 31, 2015. Following the resignation of Ms. Mikells, Ms. Varon, Vice President, Investor Relations, was appointed interim Chief Financial Officer of Xerox and continues to serve as our interim Chief Financial Officer. Because Ms. Varon served as an interim CFO for only two months in 2015, we have not focused on her in the Compensation Discussion and Analysis; however, her compensation is provided under the same programs as officers participate in and can be found in the *Summary Compensation Table* and other related tables beginning on page 48.

Linking Pay to Performance

We structure our compensation to attract and retain first-class executive talent, reward past performance and motivate future performance. Our executive compensation program is designed to pay for performance and the creation of long-term shareholder value, and to align executive compensation with our business strategy. Accordingly, we reward named executive officers when the Company achieves short- and long-term performance objectives and scale down compensation when the Company does not achieve those objectives. When determining payouts under the short-term incentive program, the Committee considers the quality of the performance results from enterprise and individual perspectives while taking into account alignment with shareholder interests.

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Named executive officers compensation for 2015 was consistent with our compensation philosophy and with our performance. Actual performance payouts under our short-term and long-term incentive programs demonstrate alignment of our pay with our mixed performance against the targets set by the Compensation Committee. Generally, two-thirds or more of pay for our named executive officers is performance-based, which means it is at risk and varies from year to year. In 2015, 90% of Ms. Burns target compensation, and on average, approximately 83% of target compensation for each of the other named executive officers was performance-based (with the exception of Ms. Varon, our interim CFO who moved into this role in November 2015). These percentages do not include a special retention RSU award for Mr. Liu. By making performance a substantial element of executive compensation, we link our executives interests to the interests of our shareholders.

Summary of 2015 Compensation Actions

The primary elements of our executive compensation program for the named executive officers are:

- base salary
- short-term incentives
- long-term incentives
- pension and savings plans
- perquisites and personal benefits
- change-in-control benefits

The Compensation Committee made several decisions regarding the compensation of named executive officers in 2015 as summarized below.

Base Salaries

Ms. Mikells received a salary increase, effective April 1, 2015. Ms. Mikells increase in base salary was approved by the Compensation Committee based on her strong performance and contributions to the Company since she was hired as our Chief Financial Officer (CFO). In connection with Ms. Varon s role as an interim CFO and the additional responsibilities she assumed, the Compensation Committee approved a supplemental salary increase of $25,000 per month, in addition to her base salary, for each month she serves in this capacity. All other named executive officer base salaries remained unchanged.

For further information on base salaries, see *2015 Compensation for the Named Executive Officers Base Salary.*

Short-Term Incentives

The 2015 performance measures and weightings for our Annual Performance Incentive Program (APIP) were consistent with 2014: adjusted EPS (50%), constant currency revenue growth (30%) and operating cash flow (20%). EPS is given greater weighting to emphasize profitable revenue growth and our belief that increases in EPS will lead to greater long-term shareholder value. Performance for 2015 with respect to adjusted EPS was at threshold, constant currency revenue growth was below threshold, and operating cash flow was between threshold and target. Management recommended to the Compensation Committee a payout factor that reflected Company performance results for all three measures.

For more information on short-term incentives, see *2015 Compensation for the Named Executive Officers Short-Term Incentives.*

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Long-Term Incentives

In 2014, the Compensation Committee conducted a comprehensive review of our compensation program compared to both peer group and market data. Consistent with the results of this review, commencing with the 2015 Executive Long-Term Incentive Program (E-LTIP), the payout for achieving threshold performance goals was increased from 25% to 50% of target, and the payout for achieving maximum performance goals was increased from 150% to 200%, whereby payout at 200% would represent attainment of outstanding performance results. There is no payout if performance falls below threshold goals.

The Compensation Committee approved performance share awards for 2015 with a grant date of July 1, 2015. The 2015 performance measures and weightings were the same as the 2014 E-LTIP: adjusted EPS (50%), revenue growth (30%) and adjusted operating cash flow (20%) all measured over a cumulative three-year performance period. Following a review of peer group total target compensation from the past four years and trends in long-term incentive compensation over time, the Compensation Committee increased Ms. Burns target E-LTIP award value to align closer to the peer group median. The grant date value of the award for Ms. Mikells was increased based on her strong performance and contributions to the Company since she was hired as our CFO. The target grant date value of the award for Mr. Jacobson was increased to better reflect the level of his responsibilities at Xerox and to better align with internal comparisons and external peer group data. The target grant date values of the awards for Mr. Liu and Mr. Zapfel remained the same as the prior year s grant date values. In addition, in light of the challenges the business was facing and the departure of Ms. Mikells, the Committee felt it was beneficial to the Company and shareholders to provide Mr. Liu with a special retention Restricted Stock Unit (RSU) award with a grant date of November 1, 2015, subject to three-year cliff vesting.

For more information on long-term incentives, see *2015 Compensation for the Named Executive Officers Long-Term Incentives.*

Total Compensation

Complete compensation information for our named executive officers appears in the *Summary Compensation Table* on page 48. The following table shows annual base salary, target and actual short-term incentive (APIP), and annual target long-term incentive (E-LTIP) compensation for 2015. Ms. Varon is not included in this table because she was not a named executive officer when the Compensation Committee initially determined fiscal 2015 named executive officer compensation.

Ursula M. Burns	$1,100,000	200%	36%	$8,000,000
Kathryn A. Mikells*	$735,000	100%	0%	$3,000,000
Don H. Liu**	$589,000	100%	36%	$2,000,000
Robert K. Zapfel	$800,000	100%	36%	$3,400,000
Jeffrey Jacobson	$700,000	100%	36%	$3,000,000

* Ms. Mikells was granted a long-term incentive award in July 2015; however, this award, along with her other outstanding stock awards, were cancelled when she resigned from the Company in October 2015.

** Mr. Liu also received a special RSU retention award of 240,000 shares ($2,253,600 grant date value) on November 1, 2015, subject to three-year cliff vesting, which is not reflected in the above table.

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OUR EXECUTIVE COMPENSATION PRINCIPLES

The following core principles reflect our philosophy with respect to compensation of the named executive officers. These principles, established and refined from time to time by the Compensation Committee, are intended to promote improved financial performance; to hold our senior executives personally accountable for the performance of the business units, divisions or functions for which they are responsible; and to motivate our senior executives to collectively make decisions about the Company that will deliver enhanced value to our shareholders over the long term.

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GOVERNANCE OF THE EXECUTIVE COMPENSATION PROGRAM

Oversight

The Compensation Committee administers the executive compensation program on behalf of the Board and our shareholders. The members of the Compensation Committee are Robert J. Keegan, who joined the Compensation Committee on January 1, 2011 and has served as the Committee chair since July 17, 2014; Charles Prince, who joined the Compensation Committee on May 20, 2014; and Stephen H. Rusckowski, who joined the Compensation Committee on May 20, 2015. Ann N. Reese also served on the Compensation Committee from October 8, 2014 through May 20, 2015. All members of the Compensation Committee are independent directors in accordance with applicable NYSE standards, including heightened independence requirements for Compensation Committee members. Their biographies appear beginning on page 9 of this Proxy Statement.

The Compensation Committee s responsibilities are discussed beginning on page 19 of this Proxy Statement. A complete description of the Compensation Committee s responsibilities and functions appears in its charter, which can be found on our website at *www.xerox.com/governance*.

Independent Consultant

The Compensation Committee has retained the services of an independent compensation consulting firm, Frederic W. Cook & Co., Inc. (F.W. Cook), to assist with its responsibilities. This consultant reports only to the Compensation Committee and has not performed any other work for the Company since being retained as an independent consultant to the Compensation Committee. As provided in its charter, the Compensation Committee has the authority to determine the scope of the consultant s services and may terminate the consultant s engagement at any time.

During fiscal 2015, the consultant provided the following services:

- regularly updated the Compensation Committee on trends in executive compensation, including providing proactive advice on emerging trends and best practices;
- reviewed officer compensation levels and the Company s overall performance compared to a peer group made up of organizations with which the Company is likely to compete for executive expertise, and/or share with the Company a similar business model in one or more areas;
- reviewed incentive compensation designs for short-term and long-term programs;
- advised the Compensation Committee on peer group companies for pay and performance comparisons;
- reviewed the Compensation Discussion and Analysis and related compensation tables for this Proxy Statement;
- reviewed Compensation Committee meeting materials with management before distribution;
- attended Compensation Committee meetings, including meetings in executive session, as requested by the Committee chair; and
- offered independent analysis and input on CEO compensation.

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Best Practices

The Compensation Committee regularly reviews executive compensation best practices and makes changes to the Company s programs as appropriate. To that end, in 2015, we increased the CEO stock ownership requirement from three times base salary to five times base salary.

Our program reflects many other best practices as follows:

What We Do:

We emphasize pay for performance in order to align executive compensation with our business strategy and promote the creation of long-term shareholder value.

Our equity awards typically are granted 100% in performance shares with three-year cliff vesting.

Our stock plans have double trigger vesting upon a change in control. Outstanding equity awards do not automatically vest upon a change in control but rather require a qualifying termination.

We have clawback provisions to enable the Company to recover incentive compensation paid to executive officers in the event of material noncompliance with financial reporting requirements resulting in an accounting restatement. In such a situation, we can clawback compensation during the preceding three years if those amounts exceed what would have been paid under the accounting restatement.

We have clawback provisions to enable the Company to recover certain short- and long-term incentives, non-qualified pension benefits, and salary continuance in the event an employee or former employee engages in activity that is detrimental to the Company.

Our executive officers are subject to stock ownership and post-retirement stock holding requirements.

We have non-compete and non-solicitation agreements with key employees (where permissible under local law) that prohibit those employees from competing against the Company and from soliciting Xerox customers or current employees during their employment and for a certain period of time after leaving their positions.

What We Don t Do:

We do not accrue additional benefits under our Unfunded Supplemental Executive Retirement Plan (SERP) or our other nonqualified pension plans which were frozen in 2012.

We offer very limited perquisites and do not pay tax gross-ups on perquisites.

We do not gross up for excise tax in our change-in-control severance agreements.

Our Compensation Committee s independent consultant does not perform any other services for Xerox.

Our executive officers may not hedge or pledge Xerox stock.

We do not provide employment agreements (other than in connection with new hire arrangements) or excessive change-in-control severance arrangements for executive officers.

Risk Assessment

The Committee believes that our programs encourage positive behavior while balancing risk and reward, consistent with the interests of our shareholders. Management conducts risk assessments each year and presents the findings to the Compensation Committee. Based on the assessment of programs covering our employees and executives for 2015, the Compensation Committee determined that our compensation plans, programs and practices do not motivate behavior that is reasonably likely to have a material adverse impact on the Company. Our assessment included reviews of our internal controls, clawback provisions (including those for engaging in detrimental activity), ownership requirements, overlapping performance periods and vesting schedules, the balance of short- and long-term incentives, and performance goals which are tied to multiple financial metrics.

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PROCESS FOR SETTING COMPENSATION

Competitive Market Information

Each year, the Compensation Committee receives a report comparing the compensation of our named executive officers with the compensation of the named executive officers of the companies in our peer group. This comparison includes peer group compensation data from the most recent proxy statements for these elements of pay:

- base salary
- short-term incentives
- total cash compensation (base salary plus short-term incentives)
- long-term incentives
- total compensation (total cash compensation plus long-term incentives)

The Compensation Committee reviews the peer group total target compensation (including the individual elements noted above) for each named executive officer, with the median as the primary competitive reference point, but does not use that data as a specific benchmark or to match a specific percentile of the market. The competitive peer group market data is prepared, analyzed and presented to the Compensation Committee by F. W. Cook, the Committee s independent compensation consultant. F.W. Cook also presents a broader set of survey data, as prepared by Buck Consultants, LLC, a subsidiary of Xerox Services.

Each year, F. W. Cook also conducts an analysis of actual named executive officer compensation and the Company s overall performance compared to actual compensation and performance of the peer group companies. The Compensation Committee reviews the Company s performance in relation to the peer group (including total shareholder return compared to the Xerox peer group, the S&P 500 and an industry group composed of companies in the S&P 500 IT Index) when setting compensation.

Peer Group

Buck Consultants collects the data that is used by our independent compensation consultant to help determine the composition of our peer group. Buck Consultants provides these and other consulting services to Xerox management and has not performed any work directly for the Compensation Committee.

We believe our peer group companies on the whole are appropriate in size (considering revenue, enterprise value and assets) and also are:

- companies with which we are likely to compete for executive talent; and/or
- companies that share with Xerox a similar business model in one or more areas, including the mix of goods and services, technology or services focus, strong brand recognition and focus on global operations.

The Compensation Committee regularly reviews the composition of the peer group. The peer group was revised and approved in 2014 and confirmed again by the Compensation Committee in 2015. The 2015 peer group consisted of the following companies:

Accenture	Emerson Electric	Ricoh*
Aon	FedEx	Seagate Technology
Automatic Data Processing	Fujitsu*	Tata Consultancy*
Canon*	Hewlett-Packard	Texas Instruments
Cisco Systems	Honeywell International	3M
Cognizant Tech Solutions	Intel	United Technologies
Computer Science Corp.	Konica Minolta*	Western Digital

EMC	Lexmark International	Wipro*

* These are non-U.S. headquartered companies for which compensation data are not readily available, so they are not included in compensation comparisons. However, since they are Xerox competitors, they are included in relative performance comparisons.

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The median annual revenue of the peer group was approximately $23 billion (compared to Xerox annual revenue of $18 billion), when the Compensation Committee last reviewed the peer group data in December 2015. The 25th percentile for the peer group revenue data was $12 billion and the 75th percentile was $46 billion.

Performance Objectives

The Compensation Committee sets performance objectives for the CEO. The CEO sets performance objectives for the other named executive officers, who are her direct reports. The objectives for these named executive officers align with the objectives for the CEO.

Ms. Burns 2015 performance objectives included:

- achieving enterprise financial goals (revenue performance, EPS, cash);
- driving business growth (expanding our business internationally, launching the next generation of offerings, completing strategic acquisitions and divestitures, leveraging and enhancing our intellectual property, and sourcing, creating and commercializing innovations in work process technologies);
- implementing employee and customer engagement strategies (delivering customer and employee value, investing in HR processes and systems, creating a positive work environment and successfully engaging with partners and customers); and
- enhancing Xerox s competitiveness and flexibility (strengthening and leveraging our brand, building an infrastructure that enables our strategic vision and maintaining commitment to the global environment).

Named executive officers are not compensated primarily based on individual performance objectives. Named executive officers generally earn short- and long-term incentive payments as a team based on achievement of pre-established objective performance goals of the Company. Base salary increases and short-term and long-term incentive target award opportunities are determined by taking into consideration peer group data and internal comparisons to ensure that pay is competitive and consistent with Company succession planning objectives and that differences in pay among the officers are appropriate. Incentive award payouts are determined primarily based on the Company s overall quantitative financial performance.

2015 COMPENSATION FOR THE NAMED EXECUTIVE OFFICERS

Overview

As shown in the chart below, the Compensation Committee follows a thorough and multi-faceted process to establish compensation.

For each named executive officer, the Compensation Committee assesses	The Compensation Committee also considers	Final steps include
overall Company performance past contributions expected future contributions succession planning objectives retention objectives internal pay equity peer group data	CEO s evaluation of the management team, their contributions and performance CEO s recommendations for compensation actions for other named executive officers competitive executive pay practices financial feasibility in the case of the CEO, her self-assessment	input from the Committee s consultant review of evolving market practices, regulatory developments, the market for executive talent and compensation philosophy

After receiving input from the CEO, the Compensation Committee makes its own assessments and formulates compensation amounts. Once all components of compensation are established, the Compensation Committee verifies that the total compensation for each named executive officer is appropriate and competitive.

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The Compensation Committee expects a high level of individual and collaborative performance and contributions, consistent with our named executive officers level of responsibility, and seeks to appropriately motivate our named executive officers to achieve a high level of performance when setting compensation.

Ms. Burns compensation is higher than that of our other named executive officers due to her greater scope of responsibility. Her compensation opportunity, however, is competitive with the compensation of peer group CEOs and is determined under the same programs and policies as other Xerox named executive officers. Ms. Burns is not present when the Compensation Committee discusses and establishes her annual compensation.

To assist in the overall understanding of compensation, the Compensation Committee also reviews named executive officer compensation under various termination scenarios as provided in the *Potential Payments upon Termination* or *Change in Control* table, but this is not a material driver of compensation decisions.

2015 Total Target Compensation

Total target compensation includes base salary, target annual short-term cash incentive and target annual long-term equity incentive awards, which includes the July 1, 2015 E-LTIP performance share grants and excludes any special RSU awards. For purposes of market comparisons, total target compensation within the range of plus or minus 20% of the peer group median typically is considered as a competitive reference point.

The 2015 total target compensation for our named executive officers was generally determined to be competitive with the peer group s total target compensation.

We show the 2015 total target compensation which includes annual base salary, target and actual short-term incentive compensation as a percentage of base salary, and target long-term incentive compensation under the heading *Executive Summary - Summary of 2015 Compensation Actions*. More complete compensation information appears in the *Summary Compensation Table* on page 48.

Fixed versus Variable Pay

The chart below shows the 2015 pay mix for our named executive officers as well as the portion of their total target compensation that is performance-based and at risk. The target long-term incentive compensation presented in the chart represents the annual E-LTIP award covering the 2015 to 2018 performance period granted on July 1, 2015. In light of the challenges the business was facing and the departure of Ms. Mikells, Mr. Liu received a one-time RSU retention award on November 1, 2015 with three-year cliff vesting. The target long-term incentive award reflected below excludes this RSU award. Ms. Varon was not a named executive officer when the Compensation Committee initially determined fiscal 2015 named executive officer compensation and therefore is not included in the following table.

Total Target Compensation Components*

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Base Salary

Base salary is the fixed pay element of our compensation program. The Compensation Committee reviews and approves base salaries annually, typically in February. The Compensation Committee also reviews named executive officer salaries when there is a specific event, such as a new hire, promotion or achievement of an extraordinary level of performance. There were no salary increases approved by the Compensation Committee for named executive officers in 2015, with the exception of Ms. Mikells who received a 5% increase commensurate with her strong performance and contributions to the Company since she was hired as our CFO in May 2013. After the departure of Ms. Mikells, in connection with Ms. Varon s role as an interim CFO and the additional responsibilities she assumed, the Compensation Committee approved a supplemental salary increase of $25,000 per month, in addition to her base salary, for each month she serves in this capacity.

Short-Term Incentives

The Company s Annual Performance Incentive Plan (APIP) provides for short-term incentive awards paid in the form of cash for our named executive officers and other eligible employees. Each year, the Compensation Committee determines the target short-term incentive award opportunity under the APIP, stated as a percentage of base salary, for each named executive officer.

For tax reasons related to the deductibility of certain executive compensation, short-term incentive awards for our executive officers are funded by a Short-Term Incentive Pool, which is an umbrella plan established by the Compensation Committee under the shareholder-approved Xerox Corporation 2004 Performance Incentive Plan, as amended and restated (see *Certain Tax Implications of Executive Compensation*). The APIP for executive officers is generally established under this umbrella plan. Each officer participating in the APIP is allocated a specified portion of the Short-Term Incentive Pool, assuming Xerox attains certain pre-established performance goals. The APIP award for a named executive officer may be less than, but will never exceed, that allocation.

In 2015, the Short-Term Incentive Pool was funded by 2% of the Company s performance profit achieved during the year. For this purpose, performance profit is income from continuing operations before income taxes, equity income and discontinued operations, excluding restructuring charges, non-cash asset write-offs or impairment losses, and amortization of intangibles as identified in Xerox s audited consolidated financial statements.

The following chart shows our process for setting short-term incentive awards. This process typically takes place in the first quarter of the year.

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Annual short-term incentives, if earned based on the previous fiscal year s performance, generally are paid in early April.

Short-Term Incentive Performance Measures

Because we believe adjusted EPS, operating cash flow and constant currency revenue growth are the three fundamental financial metrics that drive shareholder value, we use similar metrics and weightings for both our short- and long-term incentive programs. EPS is given greater weighting to emphasize profitable revenue growth and our belief that increases in EPS will lead to greater long-term shareholder value. The short-term plan contains specific financial metrics, but also permits the Compensation Committee some limited discretion as described below.

The measures, weightings, goals and target and maximum payout ranges set by the Compensation Committee for 2015 were as follows:

adjusted EPS	50%	$1.02	$1.08
constant currency revenue growth (defined as revenue growth adjusted to exclude the impact of changes in the translation of foreign currencies into U.S. dollars)	30%	0.0%	1%
operating cash flow	20%	$1.8 billion	$2.0 billion

There is no payout for results below threshold levels established by the Compensation Committee. Payouts are made proportionately for achievement at levels between the goals.

Although we consider historical performance when setting future performance goals, these goals were aligned with our 2015 operating plan at the time they were established and designed to be challenging yet achievable.

Short-Term Incentive Target Award Opportunity for the Individual Named Executive Officers

The annual short-term incentive target award opportunity for each named executive officer takes into account many factors, including scope of responsibility and comparable targets for named executive officers in the peer group. If an executive s responsibilities change after February, when the terms of the short-term incentive awards are generally approved, the Compensation Committee may adjust the short-term incentive target award opportunity at that time but the award will not exceed the executive s allocation under the Short-Term Incentive Pool.

The 2015 annual short-term incentive target award opportunity for the CEO remained at 200% of base salary and at 100% of base salary for the other named executive officers (with the exception of our interim CFO).

Determining Short-Term Incentive Award Payouts

After the end of each fiscal year, the CFO confirms the financial results and communicates the results to the Compensation Committee. Subject to the Committee s review and approval, any material unusual or infrequent charges or gains may be excluded from the APIP short-term incentive calculations in order to obtain normalized operational results of the business, but in no event will an award exceed the executive s allocation under the Short-Term Incentive Pool.

Each performance measure is assessed and calculated independently. The weighted results of each measure are added together to determine overall performance results. Even if pre-established performance measures are achieved, the Compensation Committee retains the discretion to grant a lower short-term incentive than the calculated incentive payout or no short-term incentive at all, as it deems appropriate. The Committee also may use its discretion to increase or decrease an APIP award based on individual performance so long as an individual award never exceeds the executive s allocation of the Short-Term Incentive Pool.

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Under extraordinary circumstances, if the Compensation Committee believes an additional incentive is appropriate to reward and motivate executives, it has authority to provide a cash incentive award outside of the APIP and the Short-Term Incentive Pool that is separate and independent of the calculated incentive payout, but this has not been its practice.

2015 Performance for Short-Term Incentive Award Payouts

Performance results for 2015 against the established performance measures were:

adjusted EPS	50%	$ 0.98 - at threshold
constant currency revenue growth	30%	(4.0)% - below threshold
operating cash flow	20%	$1.611 billion - below target

In 2015, adjusted EPS excluded the amortization of intangible assets, software impairment and the Health Enterprise charge.

Management recommended to the Compensation Committee a payout factor that reflects performance results for all three measures. After reviewing the results, the Compensation Committee agreed with management s recommendation of a 36% payout factor, which was determined in accordance with the process and the applicable goals and weightings described above.

The Compensation Committee believes that the fiscal 2015 short-term incentive payments are consistent with our strategy of compensating named executive officers for achieving important business goals. In view of Xerox s 2015 results, the Compensation Committee believes that the annual short-term incentive payments resulted in reasonable and appropriate performance-related incentive payments to the named executive officers.

The annual incentives paid to the named executive officers in April 2016 for fiscal year 2015 are shown in the *Summary Compensation Table*. Additional information about the short-term incentive opportunities is shown in the *Grants of Plan-Based Awards* table.

Long-Term Incentives

We provide long-term incentives to reward named executive officers for sustained performance, as a retention incentive, and to align executives interests with the interests of our shareholders.

Executive Long-Term Incentive Program

Our Executive Long-Term Incentive Program (E-LTIP) awards are made according to the 2004 Performance Incentive Plan. Awards may be cash or equity-based, including performance shares and RSUs. Equity awards granted to named executive officers generally have been in the form of performance shares, with the exception of special one-time awards granted from time to time in the form of RSUs subject to service-based vesting. We have not granted stock options since 2004.

Through 2012, executives could earn performance shares under the E-LTIP based on the Company s actual achievement measured against both annual performance goals and three-year cumulative performance goals. Beginning with 2013, awards have been based solely on cumulative goals over a three-year performance period. The service period for these performance shares is three years from the date of grant. Earned performance shares vest three years from the date of grant, after the Compensation Committee certifies the results for the performance period. In January 2016, the Company announced it would separate into two independent, publicly traded companies. Because of the difficulty in setting three-year performance goals that would appropriately take into account the announced separation, for 2016 the Compensation Committee made a determination to replace our three-year performance goal program with a transitional E-LTIP program in which 50% of the award will be based on achieving one-year performance goals and 50% will be based on service only. All shares will vest three years from the grant date.

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RSUs are not tied to performance measures and vest all at once at the end of a requisite service period, which is normally three years from the date of grant.

Once vested, performance shares and RSUs are paid out in the form of shares of Xerox common stock. In connection with certain termination events, vesting occurs as follows:

- Named executive officers who retire or are involuntarily terminated other than for cause before the end of the vesting period will vest in a pro-rata portion of earned performance shares and, if applicable, RSUs (generally RSUs granted to named executive officers do not have pro-ration provisions as discussed below with respect to retention RSUs). Vesting will occur on the original vesting date and will not be accelerated.

- Named executive officers who voluntarily terminate employment (other than for retirement) or are terminated for cause before the vesting date forfeit these awards.

- Performance shares (at target) and RSUs fully vest upon death.

On occasion, as an additional vehicle for retaining key employees, including named executive officers, the Compensation Committee has granted retention RSUs that are forfeited if the employee separates from the Company prior to the vesting date (other than due to death). These RSUs vest all at once at the end of a requisite service period, which is typically three years.

Upon vesting of performance shares and RSUs, dividend equivalents are paid in cash on vested shares in an amount equal to the dividends the executive would have earned from owning the same amount of common stock (up to the target number of performance shares) throughout the vesting period.

Although equity awards generally are granted on a regular annual cycle, the Compensation Committee occasionally grants off-cycle equity awards to named executive officers for special purposes, such as new hire, promotion, retention, and recognition.

Compensation Committee Actions Relating to E-LTIP Awards

E-LTIP awards are based on a review of both peer group and market data, operating results and each executive s historical and expected future contributions.

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During 2014, the Compensation Committee conducted a comprehensive review of our compensation programs (including long-term incentives) compared to both peer group and market data. Consistent with the results of this review, beginning with 2015 E-LTIP awards, the payout for achieving threshold performance goals increased from 25% to 50%, and the payout for achieving maximum performance goals increased from 150% to 200%, whereby payout at 200% would represent attainment of outstanding performance results. Payouts are made proportionately for achievement at levels between these goals. There is no payout if performance falls below each of the threshold goals established by the Committee.

During the first fiscal quarter of 2015, the Compensation Committee established performance goals and grant date values for the July 2015 E-LTIP awards. The performance period for these awards is January 2015 through December 2017, and the service period is July 2015 through June 2018. Earned shares for this award will vest on July 1, 2018.

The target number of performance shares granted to our named executive officers in July 2015 was determined by dividing the previously approved grant date award value by the closing price of Xerox common stock on the grant effective date. Following a review of peer group total target compensation from the past four years and trends in long-term incentive compensation over time, the Compensation Committee increased Ms. Burns target 2015 E-LTIP grant date award value by 3.2% to align closer to the peer group median. The grant date value of the award for Ms. Mikells was increased by 9.1%, based on her strong performance and contributions to the Company since she was hired as our CFO. The target grant date value of the award for Mr. Jacobson was increased by 20% to better reflect the level of his responsibilities at Xerox and to better align with internal comparisons and external peer group data. The target grant date value of the awards for Mr. Liu and Mr. Zapfel remained the same as their 2014 E-LTIP awards.

In light of the challenges the business was facing and the departure of Ms. Mikells, the Committee determined that it was beneficial to the Company and shareholders to provide Mr. Liu with a special retention RSU award, recognizing the criticality of his role with the Company. The award has a grant date of November 1, 2015 and is subject to three-year cliff vesting.

Metrics for the 2015-2017 Performance Cycle (2015 E-LTIP granted on July 1, 2015)

The measures, weightings, goals and target to maximum payout ranges set by the Compensation Committee for the 2015 2017 E-LTIP performance cycle are as follows:

Adjusted EPS	50%	$3.38	$3.54
Revenue Growth	30%	2%	6%
Adjusted Operating Cash Flow	20%	$5.5 billion	$6.1 billion

These performance goals were aligned with our longer-term financial model at the time the goals were established and are disclosed solely in the context of our 2015 2017 E-LTIP performance cycle. Target performance levels are challenging but achievable with a level of performance that is in line with the Company s Board-approved operating plan, whereas maximum performance levels represent stretch goals which can only be achieved with exceptional performance. These goals should not be used or relied upon as estimates of results or applied to other contexts.

Under the E-LTIP, actual Company results for the performance measures (Adjusted EPS, Revenue Growth and Adjusted Operating Cash Flow) are adjusted for certain pre-established items, subject to thresholds, such as: amortization of acquisition-related intangibles; non-cash asset write-offs; litigation; restructuring; defined benefit pension and retiree health costs and discretionary pension fundings; effects of changes in tax laws and accounting principles; acquisitions and divestitures; losses from war, terrorism or natural disaster; settlements of tax audits; and other types of unusual items. Revenue Growth is also adjusted for the impact of changes in the translation of foreign currencies into U.S. dollars.

Additional information on the 2015 E-LTIP awards can be found in the *Summary Compensation Table* and the *Grants of Plan-Based Awards* table.

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Performance and Payouts under Prior E-LTIP Awards

2013 E-LTIP

Although there are two E-LTIP performance share awards reflected in the *Summary Compensation Table* for 2014 (those granted on January 1, 2014 and July 1, 2014), the award granted on January 1, 2014 is the 2013 annual E-LTIP award with a grant date that was deferred from July 1, 2013 to January 1, 2014, as one of several measures implemented by the Company to reduce costs and expenses in 2013. This deferral aligned with the actions taken for other senior level employees, consistent with our compensation principles. As described in prior proxy statements, although the grant date was deferred to January 2014, the Compensation Committee considered these awards to be part of 2013 compensation: performance conditions and grant values for the awards were established in the first quarter of 2013, and the performance period was 2013 through 2015, the same as if the awards had been granted on July 1, 2013. The service period of the deferred awards is January 2014 through December 2016. Earned shares for these awards will vest on January 1, 2017.

Performance results against the established performance measures for 2013 E-LTIP awards are:

Adjusted EPS	40%	$3.03	below threshold	0%
Revenue Growth	20%	(7.5)%	below threshold	0%
Adjusted Operating Cash Flow	40%	$6.213 billion	below target	31.40%
Total performance shares earned as a percentage of shares granted				**31.40%**

See the *Outstanding Equity Awards* table for additional information on shares earned.

Payouts under Prior E-LTIP Awards

The chart below reflects historical payouts for performance shares based on achievement against performance measures and the actual stock price on the vesting date:

		Performance Shares Earned as a Percentage of Target Shares Granted	Actual Payout Value at Vesting as a Percentage of Grant Date Award Value*
July 1, 2010	July 1, 2013	149.80%	173.7%
July 1, 2011	July 1, 2014	64.74%	75.0%
July 1, 2012	July 1, 2015	75.64%	102.6%

* The actual payout value is calculated by multiplying the number of shares earned under the applicable performance cycle by the closing stock price on the vesting date.

2015 Compensation Decision ITO Business as Discontinued Operation

In December 2014, the Company announced an agreement to sell its ITO business. As a result of this announcement, our ITO business was reported as a discontinued operation for purposes of our financial statements, and the operating results attributable to our ITO business were excluded from our results from continuing operations in our 2014 consolidated financial results. Accordingly, as a result of this transaction, the revenue and profit of the ITO business were excluded from the performance results under the 2012 E-LTIP. This reduced the three-year cumulative payout of the 2012 E-LTIP by 3.34%, or $1.6 million, even though we continued to own and manage the ITO business for all of 2014.

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As described in *Our Executive Compensation Principles*, our core compensation principles are intended to motivate executives to improve financial performance and to collectively make decisions about the Company that will deliver value to shareholders over the long term. The Compensation Committee believes that our executives should not be negatively impacted for making decisions that positively impact the Company, clients and our shareholders. To that end, in 2015, the Compensation Committee approved a lump sum cash payment to participants in the 2012 E-LTIP, including our named executive officers. Each payment was equal to the value of the shares that were not paid out under the 2012 E-LTIP due to the exclusion of ITO revenue and profit from the performance results (based on the closing price of our common stock on July 1, 2015 plus the value of related dividend equivalents). These cash payments were made outside of the E-LTIP in July 2015 when the 2012 E-LTIP awards vested. Additional information can be found in the *Summary Compensation Table.*

SHAREHOLDER SAY-ON-PAY VOTES

At our annual meeting of shareholders held in May 2015, 88.12% of the votes cast on the annual advisory vote were voted in favor of our say-on-pay proposal. The Compensation Committee believes the favorable vote supports the Company s approach to executive compensation. We regularly meet with institutional investors, both individually and in group forums, to provide them with the opportunity to engage directly with Company representatives to address their questions and to provide feedback to us on topics of importance to them. Based on feedback resulting from additional discussions held in 2015 with a number of our largest shareholders, we will be considering changes to our incentive programs for 2017. We will continue to reach out to institutional investors and to consider the outcome of say-on-pay votes when making future compensation decisions for our named executive officers.

NAMED EXECUTIVE OFFICERS WITH UNIQUE COMPENSATION ARRANGEMENTS

Robert Zapfel

As part of Mr. Zapfel s new hire package in connection with his appointment as our Executive Vice President; President, Xerox Services in April 2014, subject to signing a release of claims and an agreement not to engage in detrimental activity, if Mr. Zapfel s employment had been terminated by the Company for any reason (other than for cause) during the first two years of employment, he would have received the equivalent of his annual base salary paid out over twelve months. This special severance arrangement was extended to April 1, 2017.

Other Officers

Ms. Mikells 2013 compensation was approved as part of her new hire package when she was appointed to the position of Chief Financial Officer in May 2013. In order to replace certain equity compensation Ms. Mikells would have received from her prior employer, her new hire compensation package included a cash sign-on award of $1.2 million. The cash sign-on award was paid over the three years Ms. Mikells was still employed at the Company, as follows: $300,000 in November 2013, $300,000 in May 2014 and $600,000 in May 2015. Ms. Mikells was also party to a special severance arrangement whereby she would have received eighteen months of her then current annual base salary plus eighteen months of her short-term incentive award (based on actual performance for the year of separation) in the event she had been terminated by the Company for any reason other than cause during her first four years of employment, subject to a release of claims and agreement not to engage in detrimental activity. In October 2015, Ms. Mikells voluntarily terminated her employment with the Company, for which she received no payment under this severance arrangement. In addition, as a result of her separation, she is no longer an active participant in any Company sponsored employee benefit plans.

In connection with Ms. Varon s role as interim CFO and the additional responsibilities she assumed beginning on November 1, 2015, the Compensation Committee approved a supplemental salary increase of $25,000 per month for each month she serves in this capacity and a $200,000 cash retention award to be paid if she is actively employed at the Company on the effective payment dates as follows: $100,000 in May 2016 and $100,000 in November 2016.

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PENSION AND SAVINGS PLANS

Pension Plans

We provide pension benefits to the named executive officers under three plans:

- Xerox Corporation Retirement Income Guarantee Plan (RIGP)
- Xerox Corporation Unfunded Retirement Income Guarantee Plan (Unfunded RIGP)
- Xerox Corporation Unfunded Supplemental Executive Retirement Plan (SERP)

These plans were frozen effective December 31, 2012; no benefits have been (or will be) accrued following that date.

The only named executive officers who participate in these plans are our CEO and our interim CFO. For information on the actuarial present value of the accumulated pension benefits for these named executive officers, see the Pension Benefits table.

U.S. Qualified Pension Plan

Retirement Income Guarantee Plan (frozen effective 12/31/12)

Ms. Burns and Ms. Varon participate in the tax-qualified pension plan on the same terms as the rest of the Company s salaried employees. All participants, including Ms. Burns and Ms. Varon, are vested in their benefits under RIGP. Early retirement benefits under RIGP are available for employees who leave the Company at age 55 or older and have at least 10 years of service. Ms. Burns and Ms. Varon are eligible for early retirement. For those employees who retire early, the normal retirement benefits are reduced by 5% for each year that the payment commences prior to age 65 (or age 62 with at least 30 years of service). Participants can elect to receive RIGP payments as a lump sum or as an annuity. RIGP benefits are subject to IRS limits on the compensation that can be taken into account in a tax-qualified plan.

U.S. Non-Qualified Pension Plans

Unfunded Retirement Income Guarantee Plan (frozen effective 12/31/12)

Because the Internal Revenue Code limits the pension benefits (based on annual compensation) that can be accrued under a tax-qualified pension plan, the Company established a non-tax qualified pension plan to provide executives, including Ms. Burns and Ms. Varon, with retirement benefits on their compensation above these limits. Other than not applying a limit on compensation, Unfunded RIGP benefits generally are determined under the same terms as the RIGP benefit, but Unfunded RIGP is payable only as an annuity.

Unfunded Supplemental Executive Retirement Plan (frozen effective 12/31/12)

The SERP provides a benefit that supersedes the Unfunded RIGP and, when combined with RIGP, delivers a retirement benefit under a formula specified by the SERP. SERP benefits vest at age 60 with 10 years of service; participants who retire early forfeit all SERP benefits and will receive all non-qualified benefits from Unfunded RIGP. However, some SERP executives who did not meet the age/years of service vesting requirement have received their accrued SERP benefits under their separation packages.

At the end of 2015, there were six active employees in SERP, including Ms. Burns and Ms. Varon. No pay limitations apply in determining the SERP benefit. A participant s total benefit is determined by the SERP formula, and the difference between the total benefit and the RIGP benefit is paid from SERP.

Savings Plans and Deferred Compensation Plan

Xerox Corporation Savings Plan (401(k) Savings Plan)

Each of our named executive officers is eligible to participate in the 401(k) Savings Plan in the same manner as all other U.S. employees covered by the plan. These named executive officers are eligible for a 100% match on 3% of eligible pay saved on a before-tax basis, subject to IRS qualified plan compensation limits and highly compensated threshold limits. Named executive officers may not receive 401(k) Savings Plan benefits in excess of these limits. All of our named executive officers participated in the 401(k) Savings Plan in 2015.

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Xerox Corporation Supplemental Savings Plan

When future accruals under RIGP, Unfunded RIGP and SERP were frozen, the Company introduced a non-qualified supplemental savings plan for eligible U.S. employees, effective January 1, 2013. In 2015, each of our named executive officers was eligible to participate and elected to save in the Xerox Supplemental Savings Plan. Under this plan, participants may defer 3% of eligible compensation in excess of the IRS limit. The supplemental savings plan provides a match equal to the amount deferred.

Deferred Compensation Plan

The non-qualified Deferred Compensation Plan for Executives was frozen in 2002. The amount shown in the Non-Qualified Deferred Compensation Table with respect to this plan represents balances from deferrals made before the plan was frozen. Ms. Burns and Ms. Varon are the only named executive officers who participate in the Deferred Compensation Plan. Ms. Burns does not receive above-market interest on her prior deferrals.

PERQUISITES AND PERSONAL BENEFITS

General Benefits

The Company generally maintains medical and dental coverage, group life and accidental death insurance and disability benefits programs or plans for all of its employees, as well as customary vacation, leave of absence and other similar policies. Named executive officers are eligible to participate in these programs and plans on the same basis as all other salaried employees, except as otherwise disclosed.

Life Insurance

The Company provides the Xerox Universal Life Plan to eligible U.S. executives, including the named executive officers. Participants receive Company-paid life insurance equal to their death benefit under a previous Xerox-sponsored insurance program, or three times their base salary, whichever is greater. Ms. Burns and Ms. Varon were in the previous life insurance program and because of this participation, the Company will continue to make premium payments for them until they reach age 65. Executives who were not in the previous life insurance program, including Ms. Mikells, Mr. Liu, Mr. Zapfel and Mr. Jacobson, receive a Company-paid benefit equal to three times base salary. U.S. executives are the sole owners of their policies and are responsible for any taxes due as a result of Company contributions.

Perquisites

We periodically review the perquisites that named executive officers receive. The Compensation Committee believes its policies regarding perquisites are conservative compared to other companies. The Company does not pay tax gross-ups in connection with perquisites.

All named executive officers are eligible to receive Company-paid financial planning assistance. Solid financial planning by experts reduces the amount of time and attention that named executive officers devote to their finances and maximizes the value of their compensation. In addition, for security and personal safety, the Compensation Committee requires Ms. Burns to use the Company aircraft for all travel when feasible. Other executives are allowed personal use of the Company aircraft on a very limited basis, subject to approval of the CEO or CFO. Ms. Burns is also provided with home security.

The total costs to the Company for providing perquisites and personal benefits to the named executive officers during fiscal 2015 are shown in the *Summary Compensation Table.*

CHANGE-IN-CONTROL BENEFITS

All named executive officers have change-in-control severance agreements. We consider these agreements to be in the best interests of our shareholders because they foster the continuous employment and dedication of key management personnel without potential distraction or personal concern if Xerox were to be acquired by another company. These agreements create appropriate incentives for the named executive officers to facilitate a smooth transition in the best interests of the Company and shareholders by continuing to perform in

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their roles pending a potential change in control. The Compensation Committee periodically reviews change-in-control severance payment amounts against benchmark data to ensure that amounts are consistent with market practices.

Our change-in-control severance agreements with the named executive officers provide:

- A lump sum cash payment equal to twice the sum of the executive s then-current annual base salary and short-term incentive award target.

- Continuation of specified welfare benefits at active employee rates for a period of 24 months.

Severance payments following a change in control are not conditioned on non-compete or non-solicitation obligations or other negative covenants.

Other change-in-control benefit plan provisions include:

- Accelerated vesting of stock awards only upon an involuntary termination of employment (other than a termination for cause) or a voluntary termination for good reason (commonly described as double-trigger vesting).

- Immediate vesting in the present value of the accrued non-qualified U.S. pension plan benefits as of the date of the change in control. Participants are entitled to receive these benefits without regard to the plan s normal requirements for remaining employed by Xerox until a stated age and number of years of service. If the change in control conforms with applicable tax regulations regarding deferred compensation, participants are entitled to an immediate single-sum payment of the benefit. If the change in control does not conform with applicable tax regulations, participants are entitled to payments in accordance with the schedule normally provided by the plan. The Committee views this accelerated vesting upon a change in control, and accelerated payment upon a conforming change in control, as appropriate to protect the pension benefit earned by the named executive officer at Xerox.

We do not provide excise tax reimbursement on severance payments.

Additional information and the amount of the estimated payments and benefits payable to the named executive officers assuming a change of control of Xerox and a qualifying termination of employment is presented in the table showing *Potential Payments Upon Termination or Change in Control.*

EMPLOYMENT AND SEPARATION

Named executive officers serve at the will of the Board. This enables the Board to remove a named executive officer whenever it is in the best interests of the Company, with full discretion of the Compensation Committee to decide on an appropriate severance package (except for benefits that have vested or in the case of a change in control). When a named executive officer is removed from his or her position, the Compensation Committee exercises its business judgment in considering whether to approve any special severance arrangement in light of all relevant circumstances, including how long the officer was with the Company, past accomplishments, the reasons for separation and requirements under local law. If the Compensation Committee does not approve a special severance arrangement for a named executive officer whose employment has been terminated, that officer will be covered under the Company s U.S. severance policy, as applicable.

The Company s severance policy in the U.S. generally provides severance for management-level salaried employees who are separated from the Company involuntarily, including named executive officers, only if the individual signs a release of claims against the Company. For separations due to a reduction in force, the amount of severance provided by the policy is the greater of 26 weeks of base pay or the number of weeks of base pay identified in the severance schedule based on years of service. This amount is paid out over the severance period, with continued benefits (excluding disability, 401(k) and supplemental savings contributions). For involuntary separations other than a reduction in force or for cause, severance payments generally are equal to three months of base pay, paid as a lump sum. Officer separation agreements include a covenant not to engage in activity that is detrimental to the Company.

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OTHER FEATURES OF OUR EXECUTIVE COMPENSATION PROGRAM

Ownership Requirements

We require each named executive officer to build and maintain a meaningful level of stock ownership by owning equity equal in value to five times base salary for the CEO and three times base salary for other named executive officers. To that end, E-LTIP awards are subject to a mandatory holding requirement. Named executive officers must retain at least 50% of the shares acquired through the vesting of their E-LTIP awards, net of taxes, until they achieve their required level of ownership. Once achieved, named executive officers must continue to hold that amount of stock as long as they remain with the Company and they remain subject to a holding requirement following separation from employment (including retirement) for six months for the CEO and three months for other named executive officers. The holding requirement essentially restricts the CEO from selling these shares prior to two earnings announcements following separation from employment and prior to one earnings announcement for other named executive officers. For six months following separation, named executive officers may only sell shares during a window period (as defined below under *Trading, Hedging and Pledging*). The CEO has the authority to permit discretionary hardship exceptions from the ownership and holding requirements to enable participants with financial need to access their vested shares, but no such exceptions have ever been requested.

Shares that count towards ownership requirements include shares owned outright (whether or not held in street name), shares held in an ESOP account, outstanding RSUs, deferred compensation that mirrors investments in the Xerox Stock Fund and 401(k) savings invested in the Xerox Stock Fund. Outstanding performance shares do not count towards ownership requirements.

Trading, Hedging and Pledging

Executive officers are prohibited from engaging in short-swing trading and trading in puts and calls with respect to Xerox stock