

XEROX CORP
Form 10-K/A
April 30, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment No.1 to Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2017

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from: _____ to: _____
Commission File Number 001-04471

XEROX CORPORATION
(Exact Name of Registrant as specified in its charter)

New York	16-0468020
(State of incorporation)	(IRS Employer Identification No.)
P.O. Box 4505, 201 Merritt 7	(203) 968-3000
Norwalk, Connecticut 06851-1056	

(Address of principal executive offices) (Registrants telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$1 par value	New York Stock Exchange
	Chicago Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated <input checked="" type="checkbox"/> filer	Non-accelerated filer <input type="radio"/> (Do not check if smaller reporting company)	Smaller reporting company	Emerging growth company	<input type="radio"/>
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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The aggregate market value of the voting stock of the registrant held by non-affiliates as of June 30, 2017 was \$7,302,297,923.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date:

Class	Outstanding at January 31, 2018
Common Stock, \$1 par value	254,673,473

DOCUMENTS INCORPORATED BY REFERENCE

None

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Explanatory Note

On February 23, 2018, Xerox Corporation (together with its subsidiaries, “Xerox” or the “Company”) filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the “Original Form 10-K”). This Amendment No. 1 on Form 10-K/A (the “Form 10-K/A”) amends Part III, Items 10 through 14 of the Original Form 10-K to include information previously omitted from the Original Form 10-K in reliance on General Instructions G(3) to Form 10-K. Xerox is filing this Form 10-K/A because it will not file its definitive proxy statement within 120 days after the end of its fiscal year ended December 31, 2017.

In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), certifications by Xerox’s principal executive officer and co-principal financial officers are filed as exhibits to this Form 10-K/A under Item 15 of Part IV hereof.

Except as described above, this Form 10-K/A does not modify or update disclosure in, or exhibits to, the Original Form 10-K. Furthermore, this Form 10-K/A does not change any previously reported financial results, nor does it reflect events occurring after the date of the Original Form 10-K. Information not affected by this Form 10-K/A remains unchanged and reflects the disclosures made at the time the Original Form 10-K was filed.

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Part III

Item 10. Directors, Executive Officers and Corporate Governance

Executive Officers

For information relating to the Company's executive officers, please see "Executive Officers of Xerox" in Part III of the Original Form 10-K.

Directors

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). 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 April 6, 2018. All ownership figures also reflect a reverse stock split at a ratio of 1-for-4 shares that became effective on June 14, 2017 for all authorized, issued and outstanding shares of Common Stock. For further information, see our Current Report on Form 8-K filed on June 14, 2017.

Gregory Q. Brown

Age: 57 Director since: 2017

Xerox securities owned: 9,017 DSUs

Options/Rights: None

Occupation: Chairman and Chief Executive Officer, Motorola Solutions, Inc.

Education: BA, Rutgers University

Board Committees: Compensation

Key Skills:

- Technology
- Leadership
- Global Business
- Financial
- Public Company Boards & Governance
- Business Operations

Other Directorships (past 5 years): Motorola Solutions Inc. (since 2007);

Cisco Systems, Inc. (2013-2014)

Other Background: Mr. Brown serves as the Chairman and Chief Executive Officer of Motorola Solutions, Inc., where he has led the company for more than a decade. Prior to joining Motorola, Mr. Brown was the Chairman and CEO of Micromuse for four years. Mr. Brown has also served two American presidents, most recently as a member of President Obama's Management Advisory Board and prior to that on the National Security Telecommunications Advisory Committee under President George W. Bush.

Mr. Brown brings to the Board relevant international, global business and developing markets expertise from his experience as Chairman and CEO of Motorola, a global technology business. Mr. Brown brings government, public policy and regulatory experience as a member of the Executive Committee of the Business Roundtable and Chair of its Immigration Committee and as a current board member of the Federal Reserve Bank of Chicago. Mr. Brown also brings government, public policy and regulatory knowledge from his previous service as chair of the Federal Reserve Bank of Chicago, Vice Chair of the U.S.-China Business Council, and member of the President of the United States' Management Advisory Board.

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Joseph J. Echevarria

Age: 61 Director since: 2017

Xerox securities owned: 9,215 DSUs

Options/Rights: None

Occupation: Former Chief Executive Officer of Deloitte LLP

Education: BBA, University of Miami

Board Committees: Audit, Finance

Key Skills:

- Leadership
- Global Business
- Financial
- Public Company Boards & Governance
- Business Operations
- Diversity

Other Directorships (past 5 years): The Bank of New York Mellon Corporation (since 2015); Pfizer Inc. (since 2015); Unum Group (since 2016)

Other Background: Mr. Echevarria served as Chief Executive Officer of Deloitte LLP, a global provider of professional services, from 2011 until his retirement in August 2014. During his 36-year tenure with Deloitte he held increasingly senior leadership positions prior to being named CEO, including U.S. Managing Partner and Chief Operating Officer, Deputy Managing Partner, and Southeast Region Audit Managing Partner. He also served on key boards and committees within Deloitte and its member firm network, including chair of the U.S. Executive and Americas Executive committees and memberships on the U.S. and global boards. In addition to the public company board service noted above, Mr. Echevarria currently serves as a Trustee of the University of Miami and a Member of the President's Export Council, the principal national advisory committee on international trade. He also serves as the Chair Emeritus of former President Obama's My Brother's Keeper Alliance.

Mr. Echevarria brings to the board significant experience in finance, accounting, international business, leadership and risk management skills relevant to Xerox acquired through his leadership at Deloitte. Mr. Echevarria's financial acumen, including his significant previous audit experience, expertise in accounting issues and service on the audit committee on the boards of other publicly traded companies is an asset to the Board and the Audit Committee. He also brings public policy perspectives from his government service, which includes his public service on the President's Export Council.

William Curt Hunter

Age: 70 Director since: 2004

Xerox securities owned: 66,889 DSUs and 12 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

Board Committees: Audit, Finance

Key Skills:

- Leadership
- Global Business
- Financial
- Public Company Boards & Governance
- Research & Academic
- Diversity

Other Directorships (past 5 years): Trustee of Nuveen Investments (since 2003); Wellmark, Inc. (since 2009)

Other Background: Mr. Hunter served as Dean of Tippie College of Business at the University of Iowa from 2006 to 2012. From 2003 to 2006, he held the position of Dean and Distinguished Professor of Finance at the University of Connecticut. During a 15-year career with the Federal Reserve System, Mr. Hunter 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, he held appointments as research officer and senior financial economist, and then as vice president at the Federal Reserve Bank of Atlanta. Mr. Hunter has also held faculty positions at the University of Georgia, Atlanta University, Emory University and Northwestern University.

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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Jeffrey Jacobson

Age: 58 Director since: 2017

Xerox securities owned: 31,601 shares of common stock

Options/Rights: 475,835 common shares

Occupation: Chief Executive Officer, Xerox Corporation

Education: BS, State University of New York Buffalo; MS, Cornell University School of Industrial Relations; JD, Pace University School of Law

Board Committees: None - CEO

Key Skills:

- Technology
- Leadership
- Global Business
- Financial
- Business Operations

Other Directorships (past 5 years): Presstek Inc. (2007-2012)

Other Background: Mr. Jacobson joined Xerox in February 2012 as the president of Global Graphic Communications Operations. In 2014, he served as the chief operating officer of the Xerox Technology business. He served as President of the Xerox Technology business from 2014-2016. Mr. Jacobson was appointed as our Chief Executive Officer, effective January 1, 2017, and Director on January 26, 2017.

As CEO, Mr. Jacobson has overseen Xerox's largest product launch in its more than 100-year history and continues to lead the company through a strategic transformation. In his previous role as president of the Xerox Technology business, Mr. Jacobson led the company's technology business, which offered a diverse portfolio of hardware, software and services to customers ranging from small businesses to multinational enterprises. He was responsible for worldwide strategy, sales channel operations, marketing, technical services and customer support, and product development, manufacturing and distribution.

Prior to joining Xerox, Mr. Jacobson served as the President and Chief Executive Officer of Presstek, becoming Chairman in 2009. Previously, Mr. Jacobson was Chief Operating Officer of Eastman Kodak Company's \$3.6 billion Graphic Communications Group. He also served for five years as CEO of Kodak Polychrome Graphics, a \$1.7 billion joint venture between Sun Chemical and Eastman Kodak.

Robert J. Keegan

Age: 70 Director since: 2010

Xerox securities owned: 39,029 DSUs

Options/Rights: None

Occupation: Retired Chairman of the Board, Chief Executive Officer and President, The Goodyear Tire & Rubber Company; Loparex International, Director and Chairman of the Supervisory Board

Education: BA, LeMoyne College; MBA, University of Rochester

Board Committees: None - Chairman

Key Skills:

- Technology
- Leadership
- Global Business
- Financial
- Public Company Boards & Governance
- Business Operations

Other Directorships (past 5 years): Novan, Inc. (since 2016)

Other Background: Mr. Keegan is the former Chief Executive Officer and Chairman of the Board of The Goodyear Tire & Rubber Company, roles that he held until his retirement in 2010. Mr. Keegan is currently Chairman of the Supervisory Board of Loparex International, a private company. Most recently, he served as an Operating Partner of Friedman Fleischer & Lowe, a venture capital and private equity firm, and served as Chairman of the Board of

Transtar Holding, Co. From 2000 to his retirement, Mr. Keegan served as President and Director of The Goodyear Tire & Rubber Company, 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. Mr. Keegan serves as Chairman of the Board of Xerox.

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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 key 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.

Cheryl Gordon Krongard

Age: 62 Director since: 2017

Xerox securities owned: 9,215 DSUs

Options/Rights: None

Occupation: Private investor; Former CEO Rothschild Asset Management

Education: BS, Iowa State University

Board Committees: Compensation

Key Skills:

- Leadership
- Global Business
- Financial
- Public Company Boards & Governance
- Business Operations
- Diversity

Other Directorships (past 5 years): Air Lease Corporation (since 2013); Federal Mogul (private company) (since 2017); Legg Mason, Inc. (2006-2017); US Airways Group Inc. (2003-2013)

Other Background: Ms. Krongard was a senior partner of Apollo Management, L.P., a private investment company, from January 2002 to December 2004. From 1994 to 2000, she served as the Chief Executive Officer of Rothschild Asset Management and as Senior Managing Director for Rothschild North America. Additionally, she served as a director of Rothschild North America, Rothschild Asset Management, Rothschild Asset Management BV, and Rothschild Realty Inc. and as Managing Member of Rothschild Recovery Fund. Ms. Krongard was also elected a lifetime governor of the Iowa State University Foundation in 1997 and has served as Chairperson of its Investment Committee.

Ms. Krongard brings to the Board expertise relevant to Xerox, including her substantial asset management expertise and her operational and leadership experience serving as a senior executive at large, complex asset management organizations. Ms. Krongard brings extensive investment, strategic planning and financial expertise gained as a director of other public companies. Ms. Krongard also has significant compensation, finance, audit and corporate governance experience acquired through her service on the boards and committees of other publicly traded companies.

Charles Prince

Age: 68 Director since: 2008

Xerox securities owned: 2,500 common shares, 47,934 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

Board Committees: Corporate Governance (Chair), Compensation

Key Skills:

- Leadership
- Global Business
- Financial
- Public Company Boards & Governance
- Business Operations

Other Directorships (past 5 years): Johnson & Johnson (since 2006)

Other Background: Mr. Prince 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.

Having served in several significant leadership positions in his long and successful career culminating in his serving as CEO of a global, diversified financial services company, Mr. Prince brings to the Board expertise relevant to Xerox, including a strong mix of organizational and operational management skills combined with well-developed legal, global business and financial acumen critical to a large public company. Xerox benefits from his broad mix of business skills

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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.

Ann N. Reese

Age: 65 Director since: 2003

Xerox securities owned: 1,663 common shares and 62,189 DSUs

Options/Rights: None

Occupation: Executive Director, Center for Adoption Policy

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

Board Committees: Audit, Corporate Governance, Finance (Chair)

Key Skills:

- Technology
- Leadership
- Global Business
- Financial
- Public Company Boards & Governance
- Business Operations
- Diversity

Other Directorships (past 5 years): Sears Holdings (since 2005); Genesee and Wyoming Inc. (since 2012); The Jones Group Inc. (2003-2011)

Other Background: Ms. Reese co-founded the Center for Adoption Policy in 2001. She served as a Principal at Clayton, Dubilier & Rice from 1999 to 2000; Executive Vice President and Chief Financial Officer of ITT Corporation from 1995 to 1998; Treasurer of ITT Corporation from 1992 to 1995; and Assistant Treasurer of ITT Corporation from 1987 to 1992.

From her broad experience 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: 60 Director since: 2015

Xerox securities owned: 18,082 DSUs

Options/Rights: None

Occupation: Chairman, 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

Board Committees: Compensation (Chair)

Key Skills:

- Technology
- Leadership
- Global Business
- Financial
- Public Company Boards & Governance
- Business Operations

Other Directorships (past 5 years): Quest Diagnostics (since 2012); Board of Directors of Management of Royal Phillips Electronics (2006-2012); Covidien (2013-2015)

Other Background: Mr. Rusckowski was named Chairman of the Board of Quest Diagnostics in January 2017 in addition to his role as President & Chief Executive Officer of Quest Diagnostics since May 2012. He previously served as Chief Executive Officer of Philips Healthcare from 2006 to 2012 and in various senior leadership 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.

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Sara Martinez Tucker

Age: 62 Director since: 2011

Xerox securities owned: 35,987 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

Board Committees: Audit (Chair), Corporate Governance

Key Skills:

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

Other Directorships (past 5 years): American Electric Power Co., Inc. (since 2009); Sprint Corporation (since 2013)

Other Background: Ms. Tucker is the retired Chief Executive Officer of the National Math and Science Initiative (2013-2015) and is a former Under Secretary of Education in the U.S. Department of Education (2006-2008).

Ms. Tucker currently serves as Chairman of The University of Texas System Board of Regents. Ms. Tucker served as the Chief Executive Officer and President of the Hispanic Scholarship Fund from 1997 to 2006 and has prior experience as an AT&T executive where she worked for 16 years and served as Regional Vice President of its Global Business Communications Systems.

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. Ms. Tucker's service on the audit committees on the boards of other publicly traded companies brings skills that strengthen her role as Chair of our Audit Committee.

Information about the 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;
- review changes in working capital policies and procedures with management; and
- review and approve the Company's code of business conduct and ethics.

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

Chairman: Ms. Tucker

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. Richard J. Harrington, who retired as of the 2017 annual meeting, served on the Audit Committee until May 23, 2017 and satisfied the foregoing independence standards during his time as a member of the Audit Committee. Robert J. Keegan, who served on the Audit Committee until becoming Chairman of the Board on May 23, 2017, satisfied the foregoing

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independence standards during his time as a member of the Audit Committee. Designation or identification of a person as an audit committee financial expert does not impose any duties, obligations or liabilities that are greater than the duties, obligations and liabilities imposed on such person as a member of the Audit Committee and the Board in the absence of such designation or identification.

Codes of Conduct

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; 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, 201 Merritt 7, Norwalk, CT 06851-1056, 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 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.

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, 2017 were timely filed, except for Jeffrey Jacobson and Yehia Maaty who each had one late filing due to administrative error.

Item 11. Executive Compensation

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

On January 1, 2017, a new Xerox launched with positive customer and market reception, following the successful Spin-Off of Conduent Incorporated. Management's strong leadership and unrelenting focus on execution drove initiatives that led to a very successful first year - on all measures.

At our December 2016 Investor Event, the leadership team presented a comprehensive strategy focused on achieving two high level objectives:

- Improve our revenue trajectory by increasing our participation in growing market segments; and
- Increase margins and enable investments through our ongoing Strategic Transformation cost and productivity program.

This strategy was developed to create a new Xerox that is more competitive and better positioned amidst a changing industry environment. Our progress in 2017 clearly demonstrates that we are delivering on our commitments and our strategy is working.

Delivering on 2017 Commitments

Xerox is a very different company from what it was a year earlier. Following a structural review, our Board decided to split the former \$18 billion revenue company into two separate and independent companies. As of January 1, 2017, Mr. Jacobson was appointed CEO to lead the new Xerox company and Ms. Burns transitioned into the company's

non-executive Chairman role. As a result of Xerox's new size, we adjusted the compensation level of Mr. Jacobson to align with his new role and our new Peer Group (Peers). For his first year as CEO, Mr. Jacobson's Total Direct Compensation at Target was approximately 20% below the median for CEOs of our Peers. Mr. Jacobson's 2017 Target

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compensation was set relative to our current size and complexity. It was set below the level of the former CEO, who was paid fairly for the size, complexity and performance of our former combined businesses.

Our Board and management team, with shareholder support, recognized that our business performance would be stronger if we were two separate companies. At the time we announced the Spin-off, we spoke about how the split of the two businesses would enhance their competitive positions and create significant value creation opportunities, including:

- Enhanced strategic and operational focus,
- Simplification of organizational structure and resources,
- Distinct and clear financial profiles, and
- Compelling equity investment cases.

We believe our shareholders benefited from the Spin-off. In 2017, the first full year of the separation, Xerox delivered a 30.8% relative Total Shareholder Return (rTSR) ranking at the 79th percentile compared to our Peers. Our Total Shareholder Return (TSR) for the same time period is also significantly above the TSR for the S&P 500, which was 21.1%.

Our changes are showing results. In 2017, we achieved our revenue and profit plans and met all of our guidance metrics.

Our Strategic Transformation program, intended to simplify the way we operate, delivered \$680 million in full-year gross savings, exceeding our target of \$600 million. These savings enabled us to expand margins while investing in the business to increase our participation in growing markets segments. The success of the program mitigated the impact of the decline in overall revenue, while absorbing currency headwinds, and helped us to deliver on our profit margin goals.

We made progress driving revenue in our strategic growth areas of A4, managed document services and production color. A major achievement was the successful rollout of 29 new ConnectKey-enabled products for the workplace - the biggest launch in company history. In Graphic Communications, we expanded our high-end production color offerings with the launch of three new Versant presses and brought to market groundbreaking specialty toners and inks for our flagship iGen5 and the Trivor inkjet press. Within managed document services, we continued to lead the industry and support our customers by enabling them to securely gain visibility and control of document processes and costs by automating steps and increasing productivity. We added 65 new indirect channel partners in 2017, successfully expanding our reach to new small- and medium-sized (SMB) customers. As a result of these efforts, our strategic growth areas comprised 40 percent of 2017 revenue, an increase at constant currency of 5 percent and 1 percent as compared to fourth quarter and full-year 2016, respectively.

We delivered strong operating cash flow of \$122 million inclusive of significant contributions to our defined benefit pension plans of \$836 million and the termination of certain accounts receivable sales programs of \$350 million. Along with a reduction in debt of \$800 million, the pension contributions and accounts receivable sales program actions were important steps in optimizing our capital structure while also driving future savings and simplifying our operations. Lastly, we continued to prioritize returning cash flow to shareholders in the form of \$291 million in dividends while also supporting investments in growth segments through acquisitions of \$87 million.

Our people remain at the heart and soul of the company - and a critical element of our success. The new Xerox has a new leadership team, comprised of experienced internal and external executives with deep knowledge of the industry and business with a track record of success, dedicated and driven to deliver value to our stakeholders. During 2017, we launched a new Organization and Talent Planning process to better align organizational structure, talent and capabilities to deliver on our strategy, now and for the future. Additionally, we rolled out an initiative to strengthen our company culture to improve how we work together, drive accountability and results, and to ensure the long-term success of the business.

We are proud of our 2017 accomplishments. We met all of our guidance metrics while supporting investments for the future that better positions us to compete in an ever-changing industry. Entering 2018, we are even more financially secure and prepared to execute on our strategy to deliver on our commitments once again.

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Named Executive Officers

Our executive compensation strategy 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 and their respective titles for fiscal year 2017 were:

Jeffrey Jacobson Chief Executive Officer

William F. Osbourn, Jr. Executive Vice President and Chief Financial Officer

Michael D. Feldman Executive Vice President and President, North America Operations

Hervé N. Tessler Executive Vice President and President, International Operations

Kevin M. Warren Executive Vice President and Chief Commercial Officer

Mr. Jacobson assumed the CEO role effective January 1, 2017. Previously, he served as Executive Vice President and President, Xerox Technology. Mr. Osbourn joined Xerox in December 2016 after serving in senior financial roles at other companies. Messrs. Feldman, Tessler and Warren are also experienced executives with many years of experience in areas related to their current responsibilities.

Mr. Jacobson assumed the CEO role effective January 1, 2017. Previously, he served as Executive Vice President and President, Xerox Technology. Mr. Osbourn joined Xerox in December 2016 after serving in senior financial roles at other companies. Messrs. Feldman, Tessler and Warren are also experienced executives with many years of experience in areas related to their current responsibilities.

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, create long-term shareholder value, and align executive compensation with our business strategy. By making performance a substantial element of executive compensation, we link our executives' interests to the interests of our shareholders. Accordingly, we reward named executive officers when the Company achieves short- and long-term performance objectives and scale down or eliminate compensation when the Company does not achieve those objectives.

Our actual 2017 payouts under the short-term and long-term incentive programs demonstrate alignment of our pay with our performance against the targets set by the Compensation Committee. In February 2018, the Compensation Committee reviewed the performance of the Company and approved a payout under our 2017 annual short-term incentive program of 129% of target. At its February 2017 meeting, the Compensation Committee determined a payout level for the 2014 long-term incentive award program for the 2014-2016 performance cycle of 12.91% of target. This award was granted in performance shares in 2014 and vested in July 2017. The 12.91% payout was based on three financial measures for performance from 2014 through 2016.

Shareholder Outreach and Engagement

Xerox is committed to fostering strong ongoing communications and engagement with our shareholder base. We regularly communicate with our larger shareholders and discuss our strategy, corporate governance and executive compensation principles. In these communications we learn about the individual perspectives of these investors as well as any changes they may recommend to us. We value the insight gained from these communications and consider the feedback received when reviewing our business, corporate governance and executive compensation practices.

Looking Ahead to 2018

In 2017, the Compensation Committee followed its historical performance-based compensation practices. Looking ahead, the Compensation Committee took the following actions for 2018:

• Increased focus on financial performance by reducing prior short-term incentive metrics to three metrics:

• 33.3% Revenue Growth at Constant Currency

• 33.3% Adjusted Pre Tax Income

• 33.3% Free Cash Flow

The short-term incentive metric established in 2017 for achieving cost savings under our Strategic Transformation program was met for 2017 and has been eliminated in 2018 in order to provide additional focus on financial performance metrics.

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Established a new long-term incentive program that is structured as follows: 50% in the form of performance shares; 25% in the form of restricted stock units (RSUs); and 25% in the form of stock options. Stock options have been added to our long-term incentive program to provide greater alignment with shareholders and greater focus on improving stock price performance. For 2018, the measure of performance shares will include a newly established rTSR metric. In anticipation of the closure of the Fujifilm transactions, the 2019 and 2020 performance measures and goals with respect to the 2018 three-year performance awards will be determined at a later date.

Summary of 2017 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 2017, as summarized below.

Compensation adjustments reflect new leadership roles and are competitive with peer group data.

Base Salaries

Mr. Jacobson received a base salary increase effective January 1, 2017, commensurate with his new role as CEO of Xerox, in line with peer group data. Mr. Feldman and Mr. Warren also received promotional salary increases effective January 1, 2017, reflecting their new leadership roles and peer group compensation data.

For further information on base salaries, see 2017 Compensation for the Named Executive Officers - Base Salary.

Short-Term Incentives

The 2017 performance measures and weightings for our Annual Performance Incentive Program (APIP) were: adjusted pre-tax income (30%), constant currency revenue growth (20%), operating cash flow from continuing operations (25%) and a strategic transformation measure (25%) based on cost savings initiatives. Adjusted pre-tax income replaced adjusted EPS as an earnings measure to better reflect earnings accomplishment without sensitivity to share count and changes in the tax rate.

For 2017, results were achieved above target for the constant currency revenue growth and adjusted pre-tax income measures, and above maximum for the operating cash flow from continuing operations and strategic transformation measures. Based on the Company's overall performance results, and balancing business unit results with corporate results, the Compensation Committee used its negative discretion and approved short-term incentive awards for our named executive officers at above target level, but below the calculated payout factor. The Committee believes that this level of award is commensurate with the Company's overall level of performance. A summary of performance results relative to predetermined Target and Maximum levels is shown below:

Metric	Performance
Constant Currency Revenue Growth	Above Target
Adjusted Pre-Tax Income	Above Target
Operating Cash Flow from Continuing Operations	Above Maximum

Strategic Transformation

Above Maximum

The Compensation Committee approved an increase to Mr. Feldman's and Mr. Warren's APIP target award opportunity, effective January 1, 2017, reflecting their new leadership roles and peer group compensation data. For more information on short-term incentives, see 2017 Compensation for the Named Executive Officers - Short-Term Incentives.

For information on goals and target and maximum payout ranges set by the Compensation Committee for 2017, see 2017 Compensation for the Named Executive Officers - Short-Term Performance Measures.

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Long-Term Incentives

Our 2017 Executive Long-Term Incentive Program (E-LTIP) includes awards granted in the form of performance shares (75%) and restricted stock units (25%). Performance shares are earned based on achieving three-year performance goals. The grant date for both portions of this award was July 1, 2017 and all earned shares will vest three years from the grant date. The 2017 performance measures and weightings for the portion of the award granted as performance shares are: adjusted EPS (50%), constant currency revenue growth (20%) (both measured based on a compound annual growth rate) and adjusted operating cash flow from continuing operations (30%) based on three-year cumulative performance.

Mr. Jacobson received an increase in his 2017 long-term incentive award opportunity based on his appointment to CEO. Messrs. Feldman, Tessler and Warren also received increases in their target award opportunity to better reflect their new leadership roles and peer group compensation data.

For more information on long-term incentives, see 2017 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 33. The following table shows annual base salary, target and actual short-term incentive (APIP), and annual target long-term incentive (E-LTIP) compensation for 2017:

Executive	Annual Base Salary	Target Short-Term Incentive (% of Salary)	Actual Short-Term Incentive (% of Target)	Target Long-Term Incentive (Grant Date Value on 7/1/17)	Total Target Compensation (Base + Target Short-Term + Long-Term Incentives)
Jeffrey Jacobson	\$1,000,000	150%	129%	\$6,500,000	\$9,000,000
William F. Osbourn, Jr. (1)	\$625,000	100%	132%	\$2,250,000	\$3,500,000
Michael D. Feldman	\$575,000	100%	126%	\$2,500,000	\$3,650,000
Hervé N. Tessler (2)	\$598,567	100%	133%	\$2,000,000	\$3,197,134
Kevin M. Warren	\$600,000	100%	129%	\$2,500,000	\$3,700,000

(1) Excludes Mr. Osbourn's new hire RSU award as described under Compensation Committee Actions Relating to E-LTIP Awards

Mr. Tessler's base salary of €501,270 is denominated and paid in Euros (EUR) and is unchanged from 2016 to 2017.

(2) The salary shown in this table and throughout this Form 10-K/A is Mr. Tessler's annual base salary converted to U.S. dollars (USD) at an exchange rate for 2017 of 1.1941 USD per EUR, as of December 31, 2017.

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;
- hold our senior executives personally accountable for the performance of the business units, divisions or functions for which they are responsible; and
- 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 through May 23, 2017 were Robert J. Keegan (Chair), Charles Prince and Stephen H. Rusckowski. Effective May 23, 2017, Mr. Rusckowski became the Compensation Committee Chair and Gregory Q. Brown and Cheryl Gordon Krongard joined Mr. Rusckowski and Mr. Prince on the Committee. Mr. Keegan transitioned from the Committee to become Chairman of the Board. All directors who serve on the Compensation Committee are independent directors on accordance with applicable NYSE standards, including heightened independence requirements for Compensation Committee members. Their biographies appear beginning on page 5 of this Form 10-K/A.

The Compensation Committee's responsibilities are discussed beginning on page 46 of this Form 10-K/A. 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, FW Cook, to assist with its responsibilities. FW Cook 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 FW Cook's services and may terminate their engagement at any time. The Compensation Committee reviewed FW Cook's independence under SEC and NYSE rules and determined there was no conflict of interest.

During fiscal 2017, FW Cook provided the following services:

- regularly updated the Compensation Committee on trends in executive compensation and proactively advised 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 Form 10-K/A;
- reviewed Compensation Committee meeting materials with management and the Committee chair before distribution;
- attended Compensation Committee meetings and, as requested, meetings in executive session;
- offered independent analysis and input on CEO compensation; and
- advised on other compensation matters as requested.

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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.

Our program reflects best practices as follows:

What We Do:

- ü Emphasize pay for performance to align executive compensation with our business strategy and promote creation of long-term shareholder value.
- ü Use peer group pay as a reference point to determine total target compensation.
- ü Maintain stock plans with double trigger vesting upon a change in control.
- ü Have clawback provisions to recover short- and long-term incentive compensation, non-qualified pension benefits and salary continuance.
- ü Maintain stock ownership and post-retirement stock holding requirements for executive officers.
- ü Have non-compete and non-solicitation agreements that apply during employment and after leaving the Company, as permissible under local law.
- ü Provide minimal executive perquisites.
- ü Design compensation programs with controls to mitigate risk.
- ü If EPS is used as a performance measure, the calculation for adjusted EPS will exclude share repurchases to the extent they have an impact of more than 2% on adjusted EPS (adopted in 2017).
- ü Compensation Committee uses an independent compensation consultant that performs no other services for Xerox.

What We Don't Do:

- û NO payment of dividends or dividend equivalents on unearned RSUs and performance shares.
- û NO accrual of additional benefits under our non-qualified pension plans, which were frozen in 2012.
- û NO payment of tax gross-ups on perquisites.
- û NO excessive change-in-control severance arrangements for executive officers or excise tax gross-ups in such arrangements.
- û NO hedging or pledging of Xerox stock by executive officers.
- û NO employment agreements (unless customary under local law or in connection with new hire arrangements).

Risk Assessment

The Compensation 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 2017, 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 that 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 FW Cook, the Committee's independent compensation consultant. FW Cook also presents a broader set of survey data.

When setting compensation, the Compensation Committee also 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).

Peer Group

The Compensation Committee regularly reviews the composition of the peer group and makes modifications as appropriate. A comprehensive review was conducted in 2016 and a revised peer group for 2017 was approved at that time to reflect the new size and business of Xerox post-separation. We believe these peer group companies on the whole are:

- appropriate in size (considering revenue, market capitalization, EBIT, enterprise value and assets);
- companies with which we are likely to compete for executive talent; and/or
- companies that share a similar business model or similar business content in one or more areas.

The 2017 peer group consisted of the following companies:

Applied Materials, Inc. DXC Technology Company NCR Corporation

Arrow Electronics, Inc. First Data Corporation NetApp, Inc.

Avnet, Inc. Flex Ltd. Pitney Bowes Inc.

CA, Inc. Jabil Circuit, Inc. Seagate Technology plc

CDW Corporation Micron Technology, Inc. SYNEX Corporation

CGI Group, Inc. Motorola Solutions, Inc. Western Digital Corporation

The median annual revenue of the peer group was approximately \$13.6 billion (compared to Xerox revenue of \$10.4 billion for the last four consecutive quarters ending June 30, 2017), when the Compensation Committee reviewed the peer group data in July 2017. The 25th percentile for the peer group revenue data was \$6.9 billion and the 75th percentile was \$18.2 billion.

The peer group may change in 2018 to reflect the anticipated Fujifilm transactions.

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Performance Objectives

The Compensation Committee sets performance objectives for the CEO. The CEO in turn sets performance objectives, aligned with his objectives, for the other named executive officers.

Mr. Jacobson’s 2017 performance objectives included:

- achieving enterprise financial goals (revenue, adjusted pre-tax income, operating cash and cost/productivity)
- achieving growth targets in strategic growth areas (A4, SMB expansion, managed document services)
- extending leadership position in production color and A3
- driving operational and commercial excellence to achieve cost/efficiency targets and transformation
- building new leadership team and implementing talent and culture change
 - redefining the Xerox brand

2017 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 our named executive officers.

Compensation Committee Assessment	Compensation Committee Considerations	Final Steps
overall Company performance past contributions expected future contributions succession planning objectives retention objectives internal pay equity peer group data	evaluation of CEO performance relative to specified performance objectives 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 CEO’s 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.

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

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. Named executive officers are not compensated primarily based on individual performance objectives. Base salary increases and short-term and long-term incentive target award opportunities are determined by taking into consideration the individual’s performance, 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.

Mr. Jacobson’s compensation opportunity was higher than that of our other named executive officers due to his greater scope of responsibility, but below the median of peer group CEO compensation. His compensation was determined under the same programs and policies as other Xerox named executive officers. Mr. Jacobson is not present when the Compensation Committee discusses and establishes his annual compensation.

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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.

2017 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, 2017 annual E-LTIP grants. For purposes of market comparisons, total target compensation within the range of plus or minus 15% of the peer group median typically is considered as a competitive reference point.

Overall, the aggregate total target compensation of our named executive officers is within the competitive range of peer group and survey medians. In addition, the mix of pay elements as a percent of total target compensation is similar to that of our peers.

We show the 2017 total target compensation, including annual base salary, target and actual short-term incentive compensation, as a percentage of base salary, and target long-term incentive compensation as described above under Executive Summary - Summary of 2017 Compensation Actions. More complete compensation information appears in the Summary Compensation Table on page 33.

Fixed Versus Variable Pay

The chart below shows the 2017 pay mix for our named executive officers (NEO) as well as the portion of their total target compensation that is in the form of variable pay. The target long-term incentive compensation presented in the chart represents the annual E-LTIP award granted on July 1, 2017.

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. Mr. Jacobson received an increase of 11.1% effective on January 1, 2017 based on his appointment to CEO. Mr. Feldman received a 16.2% increase and Mr. Warren received a 21.2% increase, also effective January 1, 2017, reflecting their new roles leading Xerox and aligning with our peer group compensation data.

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Short-Term Incentives

The Company's 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 for 2017 were 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). Historically, the APIP for executive officers has generally been established under this umbrella plan. Each officer participating in the APIP was allocated a specified portion of the Short-Term Incentive Pool, assuming Xerox attained certain pre-established performance goals. The APIP award for a named executive officer could have been less than, but was not permitted to exceed, that allocation.

In 2017, the Short-Term Incentive Pool was funded by 2% of the Company's "performance profit" achieved during the year, which amount was \$20.82 million. For this purpose, performance profit was income from continuing operations before income taxes, equity income and discontinued operations, excluding restructuring charges, certain retirement related costs, non-cash asset write-offs or impairment losses, and amortization of intangibles as identified in the Company's audited 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.

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

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

The 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 for that executive, but the award will not exceed the executive's established allocation under the Short-Term Incentive Pool.

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The Compensation Committee approved an increase to the target award opportunity for Mr. Feldman and Mr. Warren from 75% to 100% of base salary, effective January 1, 2017, reflecting their new leadership roles and in line with peer group data.

Short-Term Incentive Performance Measures

The performance measures for 2017 were adjusted pre-tax income, constant currency revenue growth, operating cash flow from continuing operations and a strategic transformation measure based on cost savings initiatives. Because we believe constant currency revenue growth and operating cash flow from continuing operations to be two of the fundamental financial metrics that drive shareholder value, we used those financial metrics for both our short- and long-term incentive programs.

Performance measures for our short-term incentive awards are set on an annual basis and are paid in cash following the end of the annual performance period, based on achievement of annual performance goals.

Performance measures for our long-term incentive awards are set at the beginning of the first year and are based on compound annual growth rates or three-year cumulative performance goals. Earned long-term incentive performance based awards vest and pay out three years from the date of grant. The actual value realized by our named executive officers with respect to these awards is based on achievement of performance goals and stock price at the time of vesting.

Adjusted pre-tax income was based on pre-tax income from continuing operations plus equity income, excluding the impacts of amortization of intangibles, non-service related defined benefit pension and retiree health costs, and restructuring costs. The strategic transformation cost savings measure was based on gross savings from 2015 baseline costs. The short-term plan contains specific metrics, but also permits the Compensation Committee some limited discretion as described below under Determining Short-Term Incentive Award Payouts.

The measures, weightings, goals and target and maximum payout ranges set by the Compensation Committee for 2017 were as follows:

Performance Measure	Weighting	Target (100% payout)	Maximum (200% payout)
Revenue growth at constant currency (1)	20%	(5.0)%	(3.5)%
Adjusted pre-tax income	30%	\$1,166 million	\$1,226 million
Operating cash flow from continuing operations (2)	25%	\$800 million	\$950 million
Strategic transformation (cost savings)	25%	\$600 million	\$675 million

(1) Revenue growth at constant currency is Generally Accepted Accounting Principles (GAAP) revenue growth adjusted to exclude the impact of changes in the translation of foreign currencies into U.S. dollars.

(2) GAAP Operating Cash Flow from continuing operations adjusted to reflect the approved adjustment categories. There is no payout for results below threshold levels established by the Compensation Committee. Payouts are made proportionately for achievement at levels between threshold and maximum goals.

Although we consider historical performance when setting future performance goals, these goals were aligned with our 2017 operating plan at the time they were established and designed to be challenging, yet achievable.

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 provided that 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 pay discretionary cash awards outside of the APIP and the Short-Term Incentive Pool that are separate and independent of any calculated APIP incentive payout, but this has not been its practice.

2017 Performance for Short-Term Incentive Award Payouts

Performance results for 2017 against the established performance measures were:

Performance Measure	Weighting	Target (100% payout)	Maximum (200% payout)	Actual 2017 Performance Results
Revenue growth at constant currency (1)	20%	(5.0)%	(3.5)%	(4.8)%
Adjusted pre-tax income	30%	\$1,166 million	\$1,226 million	\$1,175 million
Operating cash flow from continuing operations (2)	25%	\$800 million	\$950 million	\$952 million
Strategic transformation (cost savings)	25%	\$600 million	\$675 million	\$680 million

(1) Revenue growth at constant currency is GAAP revenue growth adjusted to exclude the impact of changes in the translation of foreign currencies into U.S. dollars.

(2) GAAP Operating Cash Flow from continuing operations adjusted to reflect the approved adjustment categories. In 2017, all financial measures were based on total company results. Adjusted pre-tax income, as reflected in the table below, was based on pre-tax income from continuing operations of \$570 million plus equity income of \$115 million and excluding the impacts of amortization of intangibles (\$53 million), non-service related defined benefit pension and retiree health costs (\$198 million), restructuring costs (\$230 million) of which \$10 million relates to Fuji Xerox, and other items outside the ordinary course of business (\$29 million). The 2017 performance measures were also adjusted for the following items:

	Revenue Growth at CC	Adjusted Pre-tax Income	Operating Cash Flow from Continuing Operations	Strategic Transformation
Adjusted (1),(2)/Reported (3)	(4.7)%	\$1,195	\$122	\$680
Adjustments				
Sales of licenses	(0.1)	(20)	(20)	-
	-	-	500	-

Incremental, voluntary U.S. pension contribution

Termination of certain A/R sales programs	-	-	350	-
Performance Results	(4.8)%	\$1,175	\$952	\$680

(1) Revenue growth at constant currency (CC) is GAAP revenue growth adjusted to exclude the impact of changes in the translation of foreign currencies into U.S. dollars.

(2) Adjusted pre-tax income is GAAP pre-tax income from continuing operations adjusted for items discussed in the preceding paragraph.

(3) Operating Cash Flow from continuing operations and Strategic Transformation, reflect actual GAAP results as disclosed in our Consolidated Financial Statements per our 2017 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Performance results with respect to the goals established by the Compensation Committee for adjusted pre-tax income and constant currency revenue growth were above target and for operating cash flow from continuing operations and strategic transformation, were above maximum. Management recommended to the Compensation Committee the calculated payout factor that reflected performance results for all four measures. These payouts were determined in accordance with the process and applicable goals and weightings described above, balancing business unit results with overall Company results. After reviewing overall Company results, the Compensation Committee agreed with management's recommendation and used its negative discretion to reduce the short-term incentive awards to a payout factor of 129% of target, below the payout level calculated by the award formula. The CEO received a payout of 129%

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of target and the other named executive officers received payouts within a range of 126% to 133% of target based on business unit results and individual performance. For more information on short-term incentive payouts, see the Total Compensation section on page 33.

The Compensation Committee believes that the fiscal 2017 short-term incentive payments are consistent with our strategy of compensating named executive officers for achieving important business goals. In view of the Company's 2017 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 2018 for fiscal year 2017 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 time-based RSUs. The greatest portion of E-LTIP awards are granted in the form of performance shares.

Although equity awards are generally 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. In recent years, the Compensation Committee has granted, from time to time, special one-time awards typically in the form of time-based RSUs.

Performance shares are based on achievement of goals over a three-year performance period covering three fiscal years. The service period for these performance shares is three years from the date of grant, which is typically in July of the first year of the performance period. Earned performance shares vest after the Compensation Committee certifies the results for the performance period. RSUs are not tied to performance and vest all at once at the end of the requisite service period.

Once vested E-LTIP performance shares and RSUs are paid out in the form of shares of Xerox Common Stock. In connection with certain termination events, vesting of outstanding performance shares and RSUs 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 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.

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.

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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.

The payout for achieving target performance goals is 100% of target; the payout for achieving threshold performance goals is 50% of target, and the payout for achieving maximum performance goals is 200% of target, with payout at 200% representing 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. Payout of any performance shares is conditioned on actual achievement of the pre-established performance measures, and any earned shares will be paid on the July 1, 2020 vesting date.

The 2017 E-LTIP award was granted in the form of 75% performance shares and 25% RSUs.

In July of 2017, the Compensation Committee established performance goals for the three-year performance period of the 2017 E-LTIP awards. Additional consideration was required in determining three-year performance goals that aligned with our Strategic Operating Plan given the separation of our Business Process Outsourcing business. As a result, the 2017 E-LTIP performance goals were not approved within the required time frame that would have allowed for deductibility under Section 162(m) of the Internal Revenue Code of 1986, as amended (Section 162(m)). However, as discussed in further detail in Certain Implications of Executive Compensation, the Compensation Committee determined that establishing performance goals that properly reflected the Company's overall strategic objectives following the successful separation of our Business Process Outsourcing business outweighed the Section 162(m) deductibility of such awards. Moreover, unless transitional relief is available, future compensation in excess of \$1 million (including compensation resulting from awards under the 2017 E-LTIP) will no longer be deductible under Section 162(m), regardless of whether such awards otherwise qualified as performance-based compensation. Mr. Jacobson received a 116.7% increase to his 2017 E-LTIP target award opportunity to reflect the significant change in his responsibilities upon appointment as our CEO following the Separation. The Compensation Committee also approved increases in E-LTIP target award opportunities for Messrs. Feldman (233.3%), Tessler (33.3%) and Warren (212.5%) to reflect their new roles leading Xerox. The target number of performance shares and RSUs granted to our named executive officers was determined by dividing the previously approved E-LTIP target award opportunity (expressed as a dollar amount) by the closing price of Xerox Common Stock on the last trading day prior to the July 1, 2017 grant date. In addition, Mr. Osbourn received an RSU award on January 1, 2017 that was approved as part of his new hire package in 2016. The number of RSUs was determined by dividing the target award opportunity (expressed as a dollar amount) by the closing price of Xerox Common Stock on the last trading day prior to the January 1, 2017 grant date.

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

The performance measures, weightings, target to maximum goals and payout ranges set by the Compensation Committee for the 2017 E-LTIP performance cycle are based on a combination of three-year compound annual growth rate (CAGR) and cumulative goals as follows:

Performance Measure	Weighting	Target (100% payout)	Maximum (200% payout)
CAGR Revenue Growth at constant currency (1)	20%	(3.0)%	(1.5)%
CAGR Adjusted Earnings Per Share	50%	2.2%	5.7%
Cumulative Adjusted Operating Cash Flow from Continuing Operations (in billions)	30%	\$2.20	\$2.40

m7 through December 31, 2019, and serviced-based RSU awards, both with a grant date of July 1, 2017, and a vesting date of July 1, 2020 Approved the performance measures and grant date award values for named executive officers Approved a payout range between 0% and 200% of the target number of performance shares granted For completed performance periods, determines the number of performance shares, if any, earned by each named executive officer based on the results for the applicable performance period(s) For the new performance share cycle, establishes overall design; performance measures and weightings; the threshold, target and maximum goals for each measure; and payout ranges Approves new E-LTIP grants for nam

(1) Revenue growth at constant currency is GAAP revenue growth adjusted to exclude the impact of changes in the translation of foreign currencies into USD.

The performance measures are the same as in prior years with increased emphasis in 2017 on operating cash flow. Performance goals were aligned with our 2017 financial model at the time the goals were established and are disclosed solely in the context of our 2017 E-LTIP performance cycle. Target performance goals are reasonably 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 outstanding performance. These goals should not be used or relied upon as estimates of results or applied to other contexts.

Under the 2017 E-LTIP, actual Company results for the performance measures will be adjusted for certain pre-established items, subject to thresholds, such as: amortization of acquisition-related intangibles; non-service related defined benefit pension and retiree health costs and discretionary pension funding, restructuring - including our share of Fuji Xerox restructuring, separation and related costs, non-cash asset write-offs, gains/losses from war, terrorism or natural disasters, share repurchases, gains/losses from settlement of tax audits or changes in tax laws, changes in receivables factoring programs, acquisitions and divestitures, changes in accounting principles, after-tax effects of certain adjustments incurred by Fuji Xerox, and other types of unusual or infrequent items. Revenue Growth is adjusted to exclude the impact of changes in the translation of foreign currencies into USD.

Additional information on the 2017 E-LTIP awards can be found in the Summary Compensation Table and the Grants of Plan-Based Awards table.

Performance and Payouts under Prior E-LTIP Awards

2014 Performance Shares

The performance shares granted under the 2014 E-LTIP were based on three-year cumulative performance from 2014 through 2016. Performance results against the pre-established performance measures and definitions for these awards follow. For additional information on the performance measures and definitions, please see Exhibit 10(e)(25) of the

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10-K for the 2013 fiscal year filed on February 21, 2014.

Performance Measure	Weighting	Three-Year Cumulative Performance	Performance Shares Earned for Three-Year Cumulative Results
Adjusted EPS	50%	\$2.90 - below threshold	0%
Revenue Growth at constant currency (1)	30%	(9.4)% - below threshold	0%
Adjusted Operating Cash Flow	20%	\$5.362 billion - below target	12.91%
Total performance shares earned as a percentage of shares granted (2)			12.91%

m7 through December 31, 2019, and serviced-based RSU awards, both with a grant date of July 1, 2017, and a vesting date of July 1, 2020 Approved the performance measures and grant da

(1) Revenue growth at constant currency is GAAP revenue growth adjusted to exclude the impact of changes in the translation of foreign currencies into U.S. dollars.

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The actual payout for the 2014 E-LTIP as a percent of grant date value on 7/1/2014, was 9.81% due to actual (2) performance results (actual performance = 12.91% of target), plus the difference in the fair market value per share on July 1, 2014 (\$37.80) and the July 1, 2017 closing price (\$28.73).

In February 2017, based on the above, the Compensation Committee determined a payout level for the 2014 performance shares of 12.91% of target. This award vested on July 1, 2017. See the Outstanding Equity Awards table for additional information on shares earned.

Payout for the 2014 E-LTIP as a percent of grant date value was 9.81% due to performance results of 12.91% of target and a lower share price.

SAY-ON-PAY VOTES AND SHAREHOLDER ENGAGEMENT

At our annual meeting of shareholders held in May 2017, 93.31% of the votes cast on our annual say-on-pay proposal were voted in favor of our named executive officer compensation as disclosed in our 2017 proxy statement. The Compensation Committee believes the favorable vote supports the Company's approach to executive compensation. At our May 2017 annual meeting, our shareholders also voted in favor of holding our say-on-pay vote on an annual basis, and, based on this expressed preference, the Compensation Committee determined to continue to hold an annual advisory say-on-pay vote.

As described under Shareholder Outreach and Engagement, 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. The Board and management team carefully consider the feedback from our engagements (which historically has been favorable) when reviewing our business, corporate governance and executive compensation program.

As a result of our ongoing engagement and communication with shareholders, for 2017 and into 2018, we: continue to maintain short- and long-term performance measures that have some overlap but are not identical; maintain a heavier weighting on performance shares than other stock award vehicles; incorporated a share repurchase limit into the 2017 EPS performance measure and eliminated EPS as a measure in 2018; and added rTSR to our 2018 E-LTIP.

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.

PENSION AND SAVINGS PLANS

Pension Plans

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

✕erox Corporation Retirement Income Guarantee Plan (RIGP)

✕erox Corporation Unfunded Retirement Income Guarantee Plan (Unfunded RIGP)

✕etirement Indemnities Plan (France)

The only named executive officers who participate in these plans are Mr. Tessler and Mr. Warren. The RIGP and Unfunded RIGP were frozen effective December 31, 2012; no benefits have been (or will be) accrued following that date. For information on the actuarial present value of the accumulated pension benefits for Mr. Tessler and Mr. Warren, see the Pension Benefits table.

U.S. Qualified Pension Plan - Retirement Income Guarantee Plan

Mr. Warren participates in the tax-qualified pension plan on the same terms as other salaried employees who participate in the plan. All participants, including Mr. Warren, are vested in their benefits under the RIGP. Early retirement benefits under the RIGP are available for employees who leave the Company at age 55 or older and have at least 10 years of service. Mr. Warren is 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.

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U.S. Non-Qualified Pension Plans - Unfunded Retirement Income Guarantee Plan

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-qualified pension plan to provide executives, including Mr. Warren, with retirement benefits on his 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.

French Pension Plan - Retirement Indemnities Plan

Mr. Tessler is a French citizen, working in the United Kingdom. He is not covered by qualified and non-qualified plans in the U.S. nor any retirement plans in the UK, but is covered under French social security and other mandatory French pension plans. In addition to government sponsored pension programs, during 2017, Mr Tessler participated in the defined contribution pension plan for directors of Xerox SAS, France. Contributions to the plan are based on Mr. Tessler's earnings up to a cap of currently €196,140. The benefits under the Retirement Indemnities Plan are only payable upon retirement which can be as early as age 62. Since Mr. Tessler is not yet age 62, he would not be eligible for any benefits under this plan should he leave Xerox before attaining age 62.

Savings Plans and Deferred Compensation Plan

We provide our named executive officers with the opportunity to defer receipt of compensation on a pre-tax basis under the following defined contribution plans:

✕Xerox Corporation Savings Plan (tax qualified 401(k) Savings Plan)

✕Xerox Corporation Supplemental Savings Plan

Mr. Tessler, a citizen of France, is not eligible to participate in these U.S. Plans.

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

Mr. Jacobson, Mr. Osbourn, Mr. Feldman, and Mr. Warren are eligible to participate in the 401(k) Savings Plan in the same manner as all other U.S. employees covered by the plan. Each of these named executive officers participated in the 401(k) Savings Plan in 2017. These named executive officers are eligible for a 100% Company 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.

Xerox Corporation Supplemental Savings Plan

When future accruals under RIGP and Unfunded RIGP were frozen, the Company introduced a non-qualified supplemental savings plan for eligible U.S. employees, effective January 1, 2013. In 2017, Mr. Jacobson and Mr. Feldman elected to participate in the Xerox Corporation Supplemental Savings Plan (SSP). Under the SSP, participants may defer 3% of eligible compensation in excess of the IRS limit. The SSP provides a 100% Company match equal to the amount deferred.

PERQUISITES AND PERSONAL BENEFITS

General Benefits

The Company generally maintains medical and dental coverage, life insurance, 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. All of the named executive officers participated in this program, except for Mr. Tessler who is not a U.S. employee. Participants may elect to receive Company-paid life insurance equal to three times their 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 and Personal Benefits

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.

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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. Mr. Jacobson is also provided with home security.

Mr. Tessler is a citizen of France on international assignment and received an international assignment allowance in 2017, which is customary for Xerox employees on international assignment. The Compensation Committee approved a modification to Mr. Tessler's relocation agreement as reimbursement for additional transition expenses incurred in connection with his relocation based on a change in his assignment resulting from the Separation. Under his modified relocation agreement, Mr. Tessler receives a reimbursement of \$15,000 per month for a maximum of twelve months (October 2017 through September 2018). In light of extraordinary business demands, Mr. Osbourn received extended time of ten months to receive home sale related reimbursements. The cost to the Company for the extended time is the same as if Mr. Osbourn had moved within the original timeframe.

See the footnote to the "All Other Compensation" column in the Summary Compensation Table for additional information.

The total costs to the Company for providing perquisites and personal benefits to the named executive officers during fiscal 2017 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 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 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 generally consistent with market practices.

For twenty-four months after a change-in-control, if employment is terminated involuntarily (other than for cause, death or disability) or voluntarily for good reason, 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. It is anticipated that the Fujifilm transactions will conform to the deferred compensation tax regulations and therefore these plans will payout in a lump sum following the change in control. 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 named executive officers with 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 below under the Potential Payments Upon Termination or Change in Control table.

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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, acting in good faith, has generally exercised its business judgment in determining 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.

In February 2017, the Compensation Committee approved an executive salary continuance program. If the Compensation Committee does not approve a special severance arrangement under this plan or otherwise for a named executive officer whose employment is terminated, that officer would be covered under the Company’s regular 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. Under the executive salary continuance program, an executive who is designated to participate in the plan will be entitled to receive one year (two years for Mr. Jacobson) of salary continuance and benefits, including pro-rata vesting of equity grants. Officer separation agreements would include a covenant not to engage in activity that is detrimental to the Company. Named executive officers have been approved as participants in the executive salary continuance program.

OTHER FEATURES OF OUR EXECUTIVE COMPENSATION PROGRAM

Stock Ownership Requirements

We require each named executive officer to build and maintain a meaningful level of stock ownership.

Role	Ownership Requirement
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CEO	5 times base salary
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Other NEOs 3 times base salary

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. They also 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 (other than for himself) 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), outstanding RSUs and outstanding earned but unvested performance shares. Outstanding unearned 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. In addition, executive officers are prohibited from using any strategies or products to hedge against potential changes in the value of Xerox stock.

Under the Company's insider trading policy, executive officers may purchase or sell Xerox securities only during "window" periods, which are generally 10-business day periods that begin on the third business day following the date of each quarterly earnings announcement. The only exception to this restriction is for executive officers who have entered into trading plans pursuant to SEC Rule 10b5-1.

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As a result, executive officers are effectively precluded from pledging Xerox stock as collateral, including holding Xerox stock in a margin account, since their stock can only be sold during “window” periods and trading plans pursuant to SEC Rule 10b5-1.

Compensation Recovery Policy (Clawbacks)

Separation arrangements with our named executive officers include a provision that rescinds severance payments if an executive engages in activity that is detrimental to the Company. Clawback arrangements may also be included in letter agreements with executives. In addition, the following plans provide for compensation recovery.

Under the 2004 Performance Incentive Plan, if the Compensation Committee deems a named executive officer to have engaged in activity that is detrimental to the Company, it may cancel any awards granted to that individual. In addition, if such a determination is made before any change-in-control of Xerox, the Compensation Committee may rescind any payment or delivery of an equity or annual cash incentive award that occurred from six months before the detrimental activity. For this purpose, detrimental activity may include a violation of a non-compete agreement with the Company, disclosing confidential information (except for reporting and other communications protected by “whistleblower” provisions of Dodd Frank), soliciting an employee to terminate employment with the Company, or soliciting a customer to reduce its level of business with the Company. If a payment or award is rescinded, the named executive officer will be expected to pay the Company the amount of any gain realized or payment received in a manner the Compensation Committee or its delegate requires.

Our equity award agreements include a clawback provision that applies if an accounting restatement is required to correct any material non-compliance with financial reporting requirements as required under Dodd Frank. Under this provision, the Company can recover, for the three prior years, any excess incentive-based compensation (the excess over what would have been paid under the accounting restatement) from executive officers or former executive officers. Clawback provisions also apply to awards under the Short-Term Incentive Pool.

Under the Unfunded RIGP, an employee or former employee, including a named executive officer, or a surviving beneficiary of a participant, who, prior to a change in control of the Company, engages in activity that is detrimental to the Company, may not be eligible to receive benefits, as determined by the Plan Administrator. Under the Xerox Corporation Supplemental Savings Plan, if a participant, including a named executive officer, is found to have engaged in detrimental activity, the Plan Administrator may reduce or delete the matching contribution account balance and not pay such amounts to that individual.

CERTAIN TAX IMPLICATIONS OF EXECUTIVE COMPENSATION

Through 2017, Section 162(m) limited to \$1 million per year the federal income tax deduction available to public corporations for compensation paid for any fiscal year to the corporation’s CEO and certain other named executive officers at year end (but not the CFO) included in the Summary Compensation Table in this Form 10-K/A. This limitation did not apply to qualifying “performance-based compensation.” The Company’s shareholder-approved 2004 Performance Incentive Plan was designed to permit the Compensation Committee to grant awards intended to satisfy the requirements for deductibility of compensation under Section 162(m). In December 2017, the Tax Cuts and Jobs Act (Tax Act) was signed into law. Under the Tax Act, the exemption from Section 162(m)’s deduction limit for “performance-based compensation” has been repealed, effective for taxable years beginning after December 31, 2017, such that compensation paid to our executive officers in excess of \$1 million will not be deductible unless it qualifies for transition relief applicable to certain arrangements in place as of November 2, 2017.

While the Company has historically sought to have compensation paid to its named executive officers qualify as tax deductible under Section 162(m), the Compensation Committee also retained the flexibility to make awards it believed were consistent with the objectives of its compensation programs, as discussed in this Compensation Discussion and Analysis, even if the award would not be deductible by the Company under Section 162(m). Section 162(m) also imposed a number of requirements that had to be met for awards to qualify as “performance-based compensation” under Section 162(m). Accordingly, there could be no assurance that awards intended to qualify as “performance-based compensation” or other compensation paid to our executive officers would be fully deductible under all circumstances, and the Compensation Committee reserved its discretion to approve nondeductible compensation as necessary to achieve the Company’s compensation objectives. Thus, given that the deductibility of

awards did not take precedence over fulfilling the Company's compensation and strategic objectives, and in light of the challenges in determining three-year performance goals that aligned with our Strategic Operating Plan following the Spin-off, the decision was made to grant 2017 E-LTIP awards that would not qualify for deductibility under Section 162(m). Moreover, as noted above, future awards will also not be deductible because of the change to the tax law, unless transition relief is applicable.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with Xerox management. Based upon its review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be incorporated by reference in this Form 10-K/A and the proxy statement for the 2018 Annual Meeting of Shareholders.

Stephen H. Rusckowski, Chairman

Gregory Q. Brown

Cheryl Gordon Krongard

Charles Prince

SUMMARY COMPENSATION TABLE

The Summary Compensation Table below provides compensation information for the CEO, the CFO and the next three most highly compensated executive officers who served during the fiscal year ended December 31, 2017 (collectively referred to as named executive officers). The table includes the dollar value of base salary earned, bonus, stock awards, non-equity incentive plan compensation earned, change in pension value, if any, above-market non-qualified deferred compensation earnings, if any, and all other compensation, whether paid or deferred.

For a summary of the Compensation Committee's decisions on the compensation awarded to our named executive officers for fiscal 2017, please refer to the CD&A beginning on page 11.

Name & Principal Position	Year	Salary (\$)(A)	Bonus (\$)(B)	Stock Awards (\$)(C)	Non-Equity Incentive Plan Compensation (\$)(D)	Change in Pension Value and NQDC Earnings (\$)(E)	All Other Compensation (\$)(F)	Total (\$)
Jeffrey Jacobson Chief Executive Officer	2017	1,000,000	-	6,500,047	1,935,000	-	78,138	9,513,185
	2016	812,500	-	3,500,005	964,875	-	69,219	5,346,599
	2015	700,000	24,159	3,000,001	252,000	-	45,520	4,021,680
William F. Osbourn, Jr. Executive Vice President and Chief Financial Officer	2017	625,000						