

# Compensation Committee Charter

As amended July 16, 2009



## Purpose

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Xerox Corporation (the "Company") is to discharge the responsibilities of the Board relating to compensation of the Company's officers; to oversee the evaluation of the Chief Executive Officer and other members of management who are senior officers (as defined below); to oversee the administration of the Company's executive compensation plans; to prepare a Compensation Committee Report required by the applicable SEC rules; and to consult with the Chief Executive Officer and advise the Board with respect to senior management succession planning. The Committee shall have such other powers and perform such other duties as the Board may from time to time delegate to it in accordance with Article III of the By-Laws of the Company, as the same shall from time to time be amended.

## Duties and Responsibilities

1. Review and make recommendations to the Board with respect to executive compensation and executive retirement plans. Executive compensation plans include cash and/or equity payments earned in the short term and/or long term.
2. Annually, review and approve performance goals and objectives with respect to the compensation of the Chief Executive Officer and all other officers, including the Chairman of the Board if the Chairman is an officer of the Company, under Sections 1 and 2 of Article IV of the Company's By-Laws ("senior officers") consistent with approved compensation plans.
3. Annually, oversee the performance evaluation of the Chief Executive Officer and other senior officers against approved goals and objectives.
4. Based on the evaluation, set the compensation of the Chief Executive Officer and other senior officers (including annual base salary level, annual incentive level, long-term incentive level and any special or supplemental benefits).
5. Review and approve employment, severance, change in control, termination and retirement arrangements for senior officers.
6. Consult with the Chief Executive Officer and advise the Board with respect to senior management succession planning.
7. Sole authority to retain and terminate the consulting firms engaged to assist the Committee in the evaluation of the compensation of the Chief Executive Officer and senior management. The Committee may also conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and may retain, at the Company's expense, such independent counsel or other advisers as it deems necessary.
8. Administer and interpret executive compensation plans to the extent required by the terms of such plans.

9. In consultation with senior management of the Company, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility and, as required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.
10. Review and discuss with the Company's management the Compensation Discussion and Analysis required by the SEC rules to be included in the Company's annual report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C, or any successor SEC form or schedules (the "CD&A"), and, based on such review and discussion, recommend to the Board whether or not such CD&A be included in such forms or schedules.
11. Prepare a "Compensation Committee Report" required by the SEC rules to be included in the Company's annual report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C, or any successor SEC forms or schedules.
12. The Committee shall annually conduct an evaluation of its own performance and, in light of this, consider changes in its membership, charter or procedures. The Committee shall report to the Board the results of its evaluation, including recommended charter, membership and other changes.

#### Composition and Qualifications

The Committee shall be comprised of three or more directors, the exact number to be determined from time to time by resolution of the Board. Each member of the Committee shall be "independent" as required by NYSE listing standards and any other legal requirements as shall from time to time be in effect. The Board of Directors shall, in the exercise of business judgment, determine the "independence" of directors for this purpose.

Members of the Committee shall also qualify as "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Chairman of the Committee shall be designated by a majority vote of the entire Board.

Members of the Committee shall be designated annually by a majority vote of the entire Board (after considering any recommendations of the Corporate Governance Committee) at the organizational meeting of the Board of Directors held in connection with the annual meeting of shareholders.

Vacancies on the Committee shall be filled by a majority vote of the entire Board. By a majority vote of the entire Board, a member of the Committee may be removed.

In selecting the members of the Committee from time to time, the Board shall consider the following qualifications for membership: prior service on the Committee or a compensation committee of another public company or service with a public company which involved executive compensation matters.

The Chairman of the Committee is responsible for the orientation of new members regarding compensation matters.

The Committee shall be fully independent, accountable, and vigorous in taking primary responsibility for all aspects of executive compensation including employment, retention, and severance agreements.

## Structure and Operation

1. Two members of the Committee shall constitute a quorum. When more than two members are present, the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Committee, and when only two members are present, the unanimous vote of the two members shall constitute the act of the Committee.
2. The Committee may form and delegate authority to subcommittees when appropriate.
3. Such person as may be designated by the Chairman of the Committee shall act as secretary and keep the minutes of all meetings of the Committee.
4. The Committee shall meet in person or telephonically, at least three times a year at such times and places determined by the Chairman of the Committee, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its Chairman.
5. The Committee shall meet in executive session without the presence of any members of management as often as it deems appropriate.
6. The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.
7. The Chairman of the Committee shall report to the Board at each meeting of the Board the deliberations, actions and recommendations of the Committee since the last Board meeting.
8. Except as expressly provided in this Charter, the By-Laws of the Company or the Company's Corporate Governance Guidelines, or as required by law, regulations or NYSE listing standards, the Committee shall establish its own rules of procedure.