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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934**

**Date of Report (date of earliest event reported): June 30, 2009**

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**XEROX CORPORATION**

(Exact name of registrant as specified in its charter)

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**New York**  
(State or other Jurisdiction  
of incorporation)

**001-04471**  
(Commission File Number)

**16-0468020**  
(IRS Employer  
Identification No.)

**45 Glover Avenue**  
**P. O. Box 4505**  
**Norwalk, Connecticut 06856-4505**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code: (203) 968-3000**

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On June 30, 2009, the Compensation Committee of Registrant's Board of Directors took the following actions:

**2009 Executive Long-Term Incentive Program**

The purpose of the 2009 E-LTIP is to provide the necessary incentives to retain and reward executives for sustained performance over the next three-year period. Having determined that it would be difficult to establish meaningful metrics and targets for performance-based shares in light of the current economic environment, the Committee established that the 2009 E-LTIP awards would be made in the form of Restricted Stock Units ("RSU") with a performance feature based on the price of Xerox common stock over a three-year period. The number of shares of stock earned by a Named Executive Officer will range between a minimum number of shares representing eighty percent of the original RSU award amount and a maximum number of shares representing one hundred twenty percent of the original RSU award amount, based on whether the stock price increases or decreases over the three-year period. The forms of award agreement and award summary pursuant to which the RSU grants were made are set forth in Exhibits 10(e)(23) and 10(e)(24), respectively.

Participants in the 2009 E-LTIP are subject to meaningful ownership requirements and mandatory share holding requirements of 50% of the net vested shares until their ownership requirements have been met.

**Other Compensation Actions**

In recognition of Ursula M. Burns' appointment as Registrant's Chief Executive Officer effective July 1, 2009, the Committee increased Ms. Burns' annual incentive target amount from 125% to 150% of base salary and awarded Ms. Burns 1 million RSUs under the 2009 E-LTIP.

Reflecting the fact that Anne M. Mulcahy, Registrant's Chairman of the Board, has stepped down as Chief Executive Officer effective July 1, 2009, the Committee reduced Mrs. Mulcahy's (a) 2009 base salary to \$1 million and (b) her annual incentive target amount from 150% to 125% of base salary and reduced the multiplier used under her Change-in-Control Severance Agreement to determine the amount of lump sum cash severance payment from 2.99 to 2.00.

In lieu of RSU awards under the 2009 E-LTIP, the Committee approved long-term incentive cash awards for Anne M. Mulcahy, Registrant's Chairman of the Board, and Lawrence A. Zimmerman, Registrant's Executive Vice President and Chief Financial Officer. The forms of the award agreements are set forth in Exhibits 10 (t) and 10 (u), respectively. The amount of Mrs. Mulcahy's award is \$4 million and the amount of Mr. Zimmerman's award is \$1.5 million. Similar to the RSU awards under the 2009 E-LTIP, the amount of the cash awards at vesting will range between a minimum dollar amount representing eighty percent of the original cash award amount and a maximum dollar amount representing one hundred twenty percent of the original cash award amount, based on whether the price of Xerox common stock increases or decreases over the applicable period of the awards.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10(e)(23)	Form of Executive Long-Term Incentive Program Award Agreement under 2009 E-LTIP
10(e)(24)	Form of Executive Long-Term Incentive Program Award Summary under 2009 E-LTIP
10(t)	Form of Long-Term Cash Incentive Award for Anne M. Mulcahy
10(u)	Form of Long-Term Cash Incentive Award for Lawrence A. Zimmerman

## Forward Looking Statements

This Current Report on Form 8-K and any exhibits to this Report may contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “will,” “should” and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. These factors include but are not limited to: the unprecedented volatility in the global economy; the risk that unexpected costs will be incurred; the outcome of litigation and regulatory proceedings to which we may be a party; actions of competitors; changes and developments affecting our industry; quarterly or cyclical variations in financial results; development of new products and services; interest rates and cost of borrowing; our ability to protect our intellectual property rights; our ability to maintain and improve cost efficiency of operations, including savings from restructuring actions; changes in foreign currency exchange rates; changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters in the foreign countries in which we do business; reliance on third parties for manufacturing of products and provision of services; and other risks that are set forth in the “Risk Factors” section, the “Legal Proceedings” section, the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other sections of our 2008 Form 10-K Report and Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 filed with the Securities and Exchange Commission. The company assumes no obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly authorized this Report to be signed on its behalf by the undersigned duly authorized.

XEROX CORPORATION

By: \_\_\_\_\_ /s/ DON H. LIU  
Don H. Liu  
**Senior Vice President and Secretary**

Date: July 1, 2009

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
10(e)(23)	Form of Executive Long-Term Incentive Program Award Agreement under 2009 E-LTIP
10(e)(24)	Form of Executive Long-Term Incentive Program Award Summary under 2009 E-LTIP
10(t)	Form of Long-Term Cash Incentive Award for Anne M. Mulcahy
10(u)	Form of Long-Term Cash Incentive Award for Lawrence A. Zimmerman

**AGREEMENT PURSUANT TO  
XEROX CORPORATION  
DECEMBER 2007 AMENDMENT AND RESTATEMENT OF THE 2004 PERFORMANCE INCENTIVE PLAN**

AGREEMENT by Xerox Corporation, a New York corporation (the “Company”), dated as of the date which appears as the “Date of Agreement and Award” in the Award Summary attached hereto (the “Award Summary”), in favor of the individual whose name appears on the Award Summary, an employee of the Company, one of the Company’s subsidiaries or one of its affiliates (the “Employee”).

In accordance with the provisions of the “2004 Performance Incentive Plan” and any amendments and/or restatements thereto (the “Plan”), the Compensation Committee of the Board of Directors of the Company (the “Committee”) or the Chief Executive Officer of the Company (the “CEO”) has authorized the execution and delivery of this Agreement.

Terms used herein that are defined in the Plan or in this Agreement shall have the meanings assigned to them in the Plan or this Agreement, respectively.

The Award Summary contains the details of the awards covered by this Agreement and is incorporated herein in its entirety.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the Company agrees as follows:

**AWARDS**

1. Award of Restricted Stock Units. Subject to all terms and conditions of the Plan and this Agreement, the Company has awarded to the Employee on the date indicated on the Award Summary the number of Restricted Stock Units (individually, the “RSU”) as shown on the Award Summary. Notwithstanding anything herein to the contrary, only active Employees and those Employees on Short Term Disability Leave, Social Service Leave, Family Medical Leave or Paid Uniform Services Leave (pursuant to the Company’s Human Resources Policies) on the effective date of the award as shown on the Award Summary shall be eligible to receive the award.

**TERMS OF THE RESTRICTED STOCK UNITS**

2. Entitlement to Shares. As soon as practicable on or after the Vesting Date indicated on the Award Summary in connection with the RSUs (the “Vesting Date”), the Company shall, without transfer or issue tax to the person entitled to receive the shares, deliver to such person a certificate or certificates for a number of shares of Common Stock equal to the number of vested RSUs based on the formula and conditions set forth herein (subject to reduction for payment of withholding taxes as described below). The number of shares to be issued to Employee shall be reduced by the minimum amount of withholding taxes which must be paid under U.S. Federal and, where applicable, state and local law at the time of each distribution. No fractional shares shall be issued as a result of withholding taxes. Instead, the Company shall apply the equivalent of any fractional share amount to Federal, and where applicable, state and local, withholding taxes.

The award of RSUs covered hereby shall vest on the Vesting Date based on the following formula:

- The number of shares awarded on the Vesting Date shall not be less than 80% or more than 120% of the number of RSUs shown on the Award Summary.
- If the Share Price at Vesting (as defined below) equals the Fair Market Value of the Common Stock on the Date of Agreement and Award, the number of shares awarded shall be the number of RSUs shown on the Award Summary.
- If the Share Price at Vesting is 120% or more of the Fair Market Value of the Common Stock on the Date of Agreement and Award, the number of shares awarded shall be 120% of the number of RSUs shown on the Award Summary.
- If the Share Price at Vesting is between 100% and 120% of the Fair Market Value of the Common Stock on the Date of Agreement and Award, the number of shares awarded shall be a percentage interpolated between 100% and 120% of the number of RSUs shown on the Award Summary.
- If the Share Price at Vesting is 80% or less of the Fair Market Value of the Common Stock on the Date of Agreement and Award, the number of shares awarded shall be 80% of the number of RSUs shown on the Award Summary.
- If the Share Price at Vesting is between 80% and 100% of the Fair Market Value of the Common Stock on the Date of Agreement and Award, the number of shares awarded shall be a percentage interpolated between 80% and 100% of the number of RSUs shown on the Award Summary.

The Share Price at Vesting shall be the average of the Fair Market Values on every business day of the three-month period preceding the Vesting Date.

The percentage applied to the number of RSUs in the Award Summary will be computed as not less than 80 and not more than 120 percentage points. No fractional shares will be awarded. The number of shares awarded on the Vesting Date will be rounded up to the next whole number.

The Vesting Date for earned RSU awards granted shall be set forth in the Award Summary.

Upon the occurrence of an event constituting a Change in Control, one hundred percent (100%) of the RSUs set forth on the Award Summary and dividend equivalents on such shares that are outstanding on such date shall be treated pursuant to the terms set forth in the Plan. Upon payment pursuant to the terms of the Plan, such awards shall be cancelled.

3. Dividend Equivalents. The Employee shall become entitled to receive from the Company on the Vesting Date a cash payment of the same amount(s) that the holder of record of Common Stock would have been entitled to receive as dividends on such Common Stock during the period commencing on the date hereof and ending on the Vesting Date (as provided under Paragraph 2) for a number of shares equal to the lesser of the number of RSUs shown on the Award Summary or the number of RSUs that vest on the Vesting Date. Payments under this Paragraph shall be net of any required U.S. Federal, state or local withholding taxes. Notwithstanding anything herein to the contrary, for any Employee who is no longer an employee on the payroll of any subsidiary or affiliate of the Company on the payment date of the dividend equivalents, and such subsidiary or affiliate has determined, with the approval of the Vice President, Human Resources of the Company, that it is not administratively feasible for such subsidiary or affiliate to pay such dividend equivalents, the Employee will not be entitled to receive such dividend equivalents.

4. Ownership Guidelines. Guidelines pertaining to the Employee's required ownership of Common Stock shall be determined by the Committee in its sole discretion from time to time as communicated to Employee in writing.

5. Holding Requirements. The Employee must retain fifty percent (50%) of the net shares of Common Stock acquired in connection with the RSUs (net of withholding tax and any applicable fees) until ownership guidelines are met under Paragraph 4 hereof, subject to any ownership and holding requirements policies established by the Committee from time to time. Such shares shall be held in the Employee's Morgan Stanley Smith Barney account or in another account acceptable to the Company.

If employment terminates due to the death of the Employee, such holding requirements shall cease at the date of death. If the Employee terminates for any other reason, the holding requirement will be applicable for up to a one year period following termination.

#### OTHER TERMS

6. Rights of a Shareholder. Employee shall have no rights as a shareholder with respect to any shares covered by this Agreement until the date of issuance of a stock certificate to him for such shares. Except as otherwise provided herein, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

7. Non-Assignability. This Agreement shall not be assignable or transferable by Employee except by will or by the laws of descent and distribution.

8. Effect of Termination of Employment or Death.

(a) Effect on RSUs. In the event the Employee

(i) voluntarily ceases to be an Employee of the Company or any subsidiary or affiliate for any reason other than retirement, and the RSUs have not vested in accordance with Paragraph 2, the RSUs shall be cancelled on the date of such voluntary termination of employment.

(ii) involuntarily ceases to be an Employee of the Company or any subsidiary or affiliate for any reason (including Disability), other than death or for Cause, or voluntarily ceases to be an Employee of the Company or any subsidiary or affiliate due to a reduction in workforce, shares will vest on a pro rata basis, which may at the discretion of the Company be contingent upon Employee executing a general release, and which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company. Such pro rata vesting shall be based on the Employee's actual months of service to be calculated as follows: multiply the total number of shares computed under Paragraph 2 herein by a fraction, the numerator of which will be the number of months of full service during the three years and the denominator will be 36. Payout shall occur as soon as practicable following the Vesting Date noted in the Award Summary.

(iii) ceases to be an Employee of the Company or any subsidiary or affiliate by reason of death, one hundred percent (100%) of the RSUs awarded as indicated on the Award Summary shall vest on the date of death and the certificates for shares shall be delivered in accordance with Paragraph 7 to the personal representatives, heirs or legatees of the deceased Employee.



(iv) ceases to be an Employee of the Company or any subsidiary or affiliate by reason of retirement, shares will vest on a pro rata basis, which may at the discretion of the Company be contingent upon Employee executing a general release, and which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company. Such pro rata vesting shall be based on the Employee's actual months of service to be calculated as follows: multiply the total number of shares computed under Paragraph 2 herein, by a fraction, the numerator of which will be the number of months of full service during the three years and the denominator will be 36. Payout shall occur as soon as practicable following the Vesting Date noted in the Award Summary; and

(v) ceases to be an Employee of the Company or any subsidiary or affiliate due to termination for Cause, the RSUs shall be cancelled as provided under the Plan.

(b) Disability. Cessation of active employment due to commencement of long-term disability under the Company's long-term disability plan shall not be deemed to constitute a termination of employment for purposes of this Paragraph 8 and, during the continuance of such Xerox-sponsored long-term disability plan benefits, the Employee shall be deemed to continue active employment with the Company. If the Employee is terminated because the Employee has received the maximum coverage under the Xerox long-term disability plan, the vesting of RSUs shall be provided pursuant to Paragraph 8 (a)(ii) above.

(c) Cause. "Cause" means (i) a violation of any of the rules, policies, procedures or guidelines of the Company, including but not limited to the Company's Business Ethics Policy and the Proprietary Information and Conflict of Interest Agreement; (ii) any conduct which qualifies for "immediate discharge" under the Company's Human Resource Policies as in effect from time to time; (iii) rendering services to a firm which engages, or engaging directly or indirectly, in any business that is competitive with the Company or represents a conflict of interest with the interests of the Company; (iv) conviction of, or entering a guilty plea with respect to, a crime whether or not connected with the Company; or (v) any other conduct determined to be injurious, detrimental or prejudicial to any interest of the Company.

9. General Restrictions. If at any time the Committee or CEO, as applicable, shall determine, in its or her discretion, that the listing, registration or qualification of any shares subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of the RSUs or the issue or purchase of shares hereunder, the certificates for shares may not be issued in respect of RSUs in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee or CEO, as applicable, and any delay caused thereby shall in no way affect the date of termination of the RSUs.

10. Amendment of This Agreement. With the consent of the Employee, the Committee or CEO, as applicable, may amend this Agreement in a manner not inconsistent with the Plan.

11. Subsidiary. As used herein the term "subsidiary" shall mean any present or future corporation which would be a "subsidiary corporation" of the Company as the term is defined in Section 425 of the Internal Revenue Code of 1986 on the date of award.

12. Affiliate. As used herein the term "affiliate" shall mean any entity in which the Company has a significant equity interest, as determined by the Committee.

13. Non-engagement in Detrimental Activity Against the Company. If an Employee or former Employee of the Company is deemed by the Committee or its authorized delegate, as applicable, in the Committee's or such delegate's sole reasonable discretion as provided under the Plan, to have engaged in detrimental activity against the Company, any awards granted to such Employee or former Employee shall be cancelled and be of no further force or effect and any payment or delivery of an award within six months prior to such detrimental activity may be rescinded. In the event of any such rescission, the Employee shall pay to the Company the amount of any gain realized or payment received as a result of the rescinded exercise, payment or delivery, in such manner and on such terms and conditions as may be required by the Committee or its delegate, as applicable.

14. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at P.O. Box 4505, 45 Glover Avenue, 6<sup>th</sup> Floor, Norwalk, Connecticut 06856-4505, addressed to the attention of Stock Plan Administrator, and if to the Employee shall be delivered personally or mailed to the Employee at his address as the same appears on the records of the Company.

15. Interpretation of This Agreement. The Committee or the CEO, as applicable, shall have the authority to interpret the Plan and this Agreement and to take whatever administrative actions, including correction of administrative errors in the awards subject to this Agreement and in this Agreement, as the Committee or the CEO in its or her sole good faith judgment shall be determined to be advisable. All decisions, interpretations and administrative actions made by the Committee or the CEO hereunder or under the Plan shall be binding and conclusive on the Company and the Employee. In the event there is inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern.

16. Successors and Assigns. This Agreement shall be binding and inure to the benefit of the parties hereto and the successors and assigns of the Company and to the extent provided in Paragraph 8 to the personal representatives, legatees and heirs of the Employee.

17. Governing Law. The validity, construction and effect of the Agreement and any actions taken under or relating to this Agreement shall be determined in accordance with the laws of the state of New York and applicable Federal law.

18. Separability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.

19. Integration of Terms. Except as otherwise provided in this Agreement, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year set forth on the Award Summary.

XEROX CORPORATION

By: \_\_\_\_\_  
Signature



2009 Executive Long-Term Incentive Program Restricted Stock Unit Award Summary

<<First Name>> <<Last Name>>

**Date of agreement and award:**

<<Grant Date>>

**Restricted Stock Units (RSUs)**

**Number of Restricted Stock Units\*:**

<<2009 RSUs>>

**[Award Value if Applicable:]**

<<2009 Award Value >>

**Vesting Date:**

<<third anniversary of grant date>>

\* Subject to the terms and conditions described in the Omnibus Agreement – 2009: PIP;ELTIP;RSUs



Xerox Personal Confidential

## LONG TERM CASH INCENTIVE AWARD AGREEMENT

LONG TERM CASH INCENTIVE AWARD AGREEMENT (“Agreement”) by Xerox Corporation, a New York corporation (the “Company”), effective July 1, 2009, and Anne M. Mulcahy, an employee of the Company (the “Executive”).

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the “Committee”) has authorized the execution and delivery of this Agreement,

NOW, THEREFORE, in consideration of the promises and for other good and valuable consideration the Company agrees as follows:

1. Meaning of Terms

“Target Amount” shall be \$4,000,000.

“Agreement Date” shall be July 1, 2009.

“Vesting Date” shall be July 1, 2011.

“Share Price at Vesting” shall be the average of the Fair Market Values on every business day of the three-month period preceding the Vesting Date.

“Fair Market Value” shall have the same meaning as such term in Section 10 of the December 2007 Amendment and Restatement of the Xerox Corporation 2004 Performance Incentive Plan.

“Section 409A-Conforming Change in Control” shall have the same meaning as such term in section 22 of the December 2007 Amendment and Restatement of the Xerox Corporation 2004 Performance Incentive Plan.

2. Payment Amount. The Company hereby promises to pay to the Executive the following amount in cash:

(a) The amount received if the Executive retires on or after July 1, 2011 (the “Vested Amount”) shall be determined as follows:

- (i) If Share Price at Vesting is 120% or more of Fair Market Value on the Agreement Date, the Company will pay 120% of the Target Amount.
- (ii) If Share Price at Vesting equals Fair Market Value on the Agreement Date, the Company will pay 100% of the Target Amount
- (iii) If Share Price at Vesting is 80% or less of Fair Market Value on the Agreement Date, the Company will pay 80% of the Target Amount
- (iv) If Share Price at Vesting is a percentage between 80% and 120% of Fair Market Value on the Agreement Date, the Company will pay an amount computed as such percentage multiplied by the Target Amount.

- (b) The amount received if the Executive retires before July 1, 2011 (the “Guaranteed Amount”), shall be determined as follows: the Company will pay an amount equal to the Vested Amount, as provided under Section 2(a) had retirement occurred on or after July 1, 2011, multiplied by a fraction, the numerator of which is the number of full months of service the Executive performs with the Company between the Agreement Date and the Vesting Date, and the denominator of which is 24.
3. Discretionary Amount — Retirement with Agreement. If the Executive retires before July 1, 2011, with the agreement of the Committee, the Committee at its sole discretion may accelerate vesting by causing the Company to pay to the Executive, as provided under Section 4, an additional amount, not to exceed the difference between (a) the Vested Amount, as provided under Section 2(a) had retirement occurred on or after July 1, 2011, and (b) the Guaranteed Amount earned as of retirement under Section 2(b).
4. Payout Date
- (a) The amounts paid under this Agreement shall be paid on the Vesting Date, based on the Share Price at Vesting.
- (b) If the Executive dies before July 1, 2011, the Target Amount shall be paid immediately to the Executive’s estate.
- (c) If after the occurrence of a Section 409A-Conforming Change in Control, the Executive has a Termination for Good Reason or an involuntary termination of employment (other than a termination for Cause according to a determination made before such Change in Control), vesting shall be accelerated and payout shall be as provided under this Agreement.
- For purposes of the preceding sentence, the term “Termination for Good Reason” shall have its meaning as defined under the Xerox Corporation 2004 Performance Incentive Plan, December 2007 Amendment and Restatement, and “Cause” shall mean (i) a violation of any of the rules, policies, procedures or guidelines of the Company, including but not limited to the Company’s Business Ethics Policy and the Proprietary Information and Conflict of Interest Agreement (ii) any conduct which qualifies for “immediate discharge” under the Company’s Human Resource Policies as in effect from time to time (iii) rendering services to a firm which engages, or engaging directly or indirectly, in any business that is competitive with the Company or represents a conflict of interest with the interests of the Company; (iv) conviction of, or entering a guilty plea with respect to, a crime whether or not connected with the Company; or (v) any other conduct determined to be injurious, detrimental or prejudicial to any interest of the Company.
5. Withholding. All amounts under this Agreement shall be paid net of any applicable withholding required under federal, state or local law.
6. Non-Engagement in Detrimental Activity Against the Company. If the Executive is deemed by the Committee in its sole discretion to have engaged in detrimental activity against the Company, any award granted to such Executive or former Executive shall be cancelled and be of no further force or effect and any payment or delivery of an award within six months prior to such detrimental activity may be rescinded. In the event of any such rescission, the Executive shall pay to the Company the payment received pursuant to this Agreement.
7. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at P.O. Box 4505, 45 Glover Avenue, 6th Floor, Norwalk, Connecticut 06856-4505, addressed to the attention of Executive Compensation, and if to the Executive, shall be delivered personally or mailed to the Executive at her address as the same appears on the records of the Company.
8. Interpretation of this Agreement. The Committee shall have full discretionary authority to interpret the Agreement and to take whatever administrative actions as the Committee in its sole discretion shall deem to be advisable. All decisions, interpretations and administrative actions made by the Committee hereunder shall be binding and conclusive on the Company and the Executive.

9. Successors and Assigns. This Agreement shall be binding and inure to the benefit of the parties hereto and the successors and assigns of the Company and the personal representatives, legatees and heirs of the Executive.
10. Governing Law. The validity, construction and effect of the Agreement and any actions taken under or relating to this Agreement shall be determined in accordance with the laws of the state of New York and applicable Federal law.
11. Severability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.
12. Integration of Terms. This Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year set forth herein.

XEROX CORPORATION

By: \_\_\_\_\_  
Signature

## LONG TERM CASH INCENTIVE AWARD AGREEMENT

LONG TERM CASH INCENTIVE AWARD AGREEMENT (“Agreement”) by Xerox Corporation, a New York corporation (the “Company”), effective July 1, 2009, and Lawrence A. Zimmerman, an employee of the Company (the “Executive”).

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the “Committee”) has authorized the execution and delivery of this Agreement,

NOW, THEREFORE, in consideration of the promises and for other good and valuable consideration the Company agrees as follows:

1. Meaning of Terms

“Target Amount” shall be \$1,500,000.

“Agreement Date” shall be July 1, 2009.

“Vesting Date” shall be January 1, 2011.

“Share Price at Vesting” shall be the average of the Fair Market Values on every business day of the three-month period preceding the Vesting Date.

“Fair Market Value” shall have the same meaning as such term in Section 10 of the December 2007 Amendment and Restatement of the Xerox Corporation 2004 Performance Incentive Plan.

“Section 409A-Conforming Change in Control” shall have the same meaning as such term in section 22 of the December 2007 Amendment and Restatement of the Xerox Corporation 2004 Performance Incentive Plan.

2. Payment Amount. The Company hereby promises to pay to the Executive the following amount in cash:

(a) The amount received if the Executive retires on or after January 1, 2011 (the “Vested Amount”) shall be determined as follows:

- (i) If Share Price at Vesting is 120% or more of Fair Market Value on the Agreement Date, the Company will pay 120% of the Target Amount.
- (ii) If Share Price at Vesting equals Fair Market Value on the Agreement Date, the Company will pay 100% of the Target Amount
- (iii) If Share Price at Vesting is 80% or less of Fair Market Value on the Agreement Date, the Company will pay 80% of the Target Amount
- (iv) If Share Price at Vesting is a percentage between 80% and 120% of Fair Market Value on the Agreement Date, the Company will pay an amount computed as such percentage multiplied by the Target Amount.

- (b) The amount received if the Executive retires before January 1, 2011 (the “Guaranteed Amount”), shall be determined as follows: the Company will pay an amount equal to the Vested Amount, as provided under Section 2(a) had retirement occurred on or after January 1, 2011, multiplied by a fraction, the numerator of which is the number of full months of service the Executive performs with the Company between the Agreement Date and the Vesting Date, and the denominator of which is 18.
3. Discretionary Amount — Retirement with Agreement. If the Executive retires before January 1, 2011, with the agreement of the Committee, the Committee at its sole discretion may accelerate vesting by causing the Company to pay to the Executive, as provided under Section 4, an additional amount, not to exceed the difference between (a) the Vested Amount, as provided under Section 2(a) had retirement occurred on or after January 1, 2011, and (b) the Guaranteed Amount earned as of retirement under Section 2(b).
4. Payout Date
- (a) The amounts paid under this Agreement shall be paid on the Vesting Date, based on the Share Price at Vesting.
- (b) If the Executive dies before January 1, 2011, the Target Amount shall be paid immediately to the Executive’s estate.
- (c) If after the occurrence of a Section 409A-Conforming Change in Control, the Executive has a Termination for Good Reason or an involuntary termination of employment (other than a termination for Cause according to a determination made before such Change in Control), vesting shall be accelerated and payout shall be as provided under this Agreement.
- For purposes of the preceding sentence, the term “Termination for Good Reason” shall have its meaning as defined under the Xerox Corporation 2004 Performance Incentive Plan, December 2007 Amendment and Restatement, and “Cause” shall mean (i) a violation of any of the rules, policies, procedures or guidelines of the Company, including but not limited to the Company’s Business Ethics Policy and the Proprietary Information and Conflict of Interest Agreement (ii) any conduct which qualifies for “immediate discharge” under the Company’s Human Resource Policies as in effect from time to time (iii) rendering services to a firm which engages, or engaging directly or indirectly, in any business that is competitive with the Company or represents a conflict of interest with the interests of the Company; (iv) conviction of, or entering a guilty plea with respect to, a crime whether or not connected with the Company; or (v) any other conduct determined to be injurious, detrimental or prejudicial to any interest of the Company.
5. Withholding. All amounts under this Agreement shall be paid net of any applicable withholding required under federal, state or local law.
6. Non-Engagement in Detrimental Activity Against the Company. If the Executive is deemed by the Committee in its sole discretion to have engaged in detrimental activity against the Company, any award granted to such Executive or former Executive shall be cancelled and be of no further force or effect and any payment or delivery of an award within six months prior to such detrimental activity may be rescinded. In the event of any such rescission, the Executive shall pay to the Company the payment received pursuant to this Agreement.
7. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at P.O. Box 4505, 45 Glover Avenue, 6th Floor, Norwalk, Connecticut 06856-4505, addressed to the attention of Executive Compensation, and if to the Executive, shall be delivered personally or mailed to the Executive at his address as the same appears on the records of the Company.
8. Interpretation of this Agreement. The Committee shall have full discretionary authority to interpret the Agreement and to take whatever administrative actions as the Committee in its sole discretion shall deem to be advisable. All decisions, interpretations and administrative actions made by the Committee hereunder shall be binding and conclusive on the Company and the Executive.



9. Successors and Assigns. This Agreement shall be binding and inure to the benefit of the parties hereto and the successors and assigns of the Company and the personal representatives, legatees and heirs of the Executive.
10. Governing Law. The validity, construction and effect of the Agreement and any actions taken under or relating to this Agreement shall be determined in accordance with the laws of the state of New York and applicable Federal law.
11. Severability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.
12. Integration of Terms. This Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year set forth herein.

XEROX CORPORATION

By: \_\_\_\_\_  
Signature