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

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**SCHEDULE 14A**  
(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**XPO LOGISTICS, INC.**  
(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

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

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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# XPO Logistics

XPO LOGISTICS, INC.

Five Greenwich Office Park  
Greenwich, Connecticut 06831

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS To Be Held on May 11, 2016

To the Stockholders of XPO Logistics, Inc.:

Notice is hereby given that the annual meeting of stockholders of XPO Logistics, Inc. will be held on Wednesday, May 11, 2016 at 10:00 a.m. local time, at the Delamar Greenwich Harbor Hotel, located at 500 Steamboat Road, Greenwich, Connecticut 06830, for the following purposes as more fully described in the proxy statement:

- To elect seven (7) members of our Board of Directors for a term to expire at the 2017 annual meeting of stockholders or until their successors are duly elected and qualified;
- To ratify the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2016;
- To conduct an advisory vote to approve the executive compensation of our named executive officers as disclosed in this proxy statement; and
- To consider and transact such other business as may properly come before the annual meeting or any adjournments or postponements thereof.

Only stockholders of record of our common stock, \$0.001 per share par value, and our Series A Convertible Perpetual Preferred Stock as of the close of business on March 24, 2016, the "Record Date," are entitled to receive notice of, and to vote at, the annual meeting or any adjournment or postponement of the annual meeting.

Please note that, if you plan to attend the annual meeting in person, you will need to register in advance and receive an admission ticket in order to be admitted. Please follow the instructions on pages 1 - 5 of the proxy statement.

**Your vote is important. Whether or not you plan to attend the annual meeting in person, it is important that your shares be represented. We ask that you vote your shares as soon as possible.**

By Order of the Board of Directors,



Gordon E. Devens  
*Chief Legal Officer and Secretary*

Greenwich, Connecticut  
April 6, 2016

### **Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 11, 2016**

This Proxy Statement and our Annual Report on Form 10-K for the Year Ended December 31, 2015 are available at [www.edocumentview.com/XPO](http://www.edocumentview.com/XPO).

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This Proxy Statement and our Annual Report on Form 10-K for the Year Ended December 31, 2015 are available at [www.edocumentview.com/XPO](http://www.edocumentview.com/XPO).

## PROXY STATEMENT SUMMARY

*This proxy statement sets forth information relating to the solicitation of proxies by the Board of Directors of XPO Logistics, Inc. in connection with our company's 2016 annual meeting of stockholders. This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.*

### 2016 Annual Meeting of Stockholders

**Date and Time:** May 11, 2016, 10:00 a.m., local time

**Place:** Delamar Greenwich Harbor Hotel, located at 500 Steamboat Road, Greenwich, Connecticut 06830

**Record Date:** You can vote if you were a shareholder of record of our company as of the close of business on March 24, 2016

**Admission:** You will need an admission ticket to enter the annual meeting. You may request admission tickets by providing the name under which you hold shares of record or, if your shares are held in the name of a bank, broker or other holder of record, the evidence of your beneficial ownership of the shares, the number of admission tickets you are requesting and your contact information.

You can submit your request in the following ways:

by sending an e-mail to [annualmeeting@xpo.com](mailto:annualmeeting@xpo.com) OR by calling us toll-free at (855) 976-6951

### Voting Matters and Board Recommendations

The Board is not aware of any matter that will be presented for a vote at the 2016 annual meeting of stockholders other than those shown below.

	Board Vote Recommendation	Page Reference (for more detail)
<b>Proposal 1: Election of Directors</b> To elect seven (7) members of our Board of Directors for a term to expire at the 2017 annual meeting of stockholders or until their successors are duly elected and qualified	FOR each Director Nominee	9-12, 55
<b>Proposal 2: Ratification of Appointment of Independent Public Accounting Firm</b> To ratify the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2016	FOR	52-54, 56
<b>Proposal 3: Advisory Vote to Approve Executive Compensation</b> To conduct an advisory vote to approve the executive compensation of our named executive officers (NEOs) as disclosed in this proxy statement	FOR	25-49, 57

### How to Cast Your Vote (page 7 and proxy card)

If you are a registered stockholder (*i.e.*, you hold your shares in your own name), you can vote by proxy in three convenient ways:

- By telephone: Call toll-free 1-800-652-VOTE (8683) and follow the instructions.
- By internet: Go to [www.envisionreports.com/XPO](http://www.envisionreports.com/XPO) and follow the instructions.
- By mail: Complete, sign, date and return your proxy card in the provided envelope.

**Telephone and internet voting facilities for shareholders of record will be available 24 hours a day and will close at 1:00 a.m. Eastern Daylight Time on May 11, 2016.**

**If you are the beneficial owner of shares, please follow the voting instructions provided by your broker, trustee or other nominee.**

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**Board of Director Nominees (pages 9-12, 55)**

The following table provides summary information about each director nominee. Each director is elected annually by a majority of the votes cast. The average age of our director nominees is 60 years and the average tenure is 3.3 years.

Name	Age	Director Since	Occupation	Independent	Committee Memberships			
					AC	CC	NGC	AcqC
Bradley S. Jacobs	59	2011	Chairman and CEO, XPO Logistics, Inc.					
Gena L. Ashe	54	2016	Chief Legal Officer (retired), BrightView Landscapes, LLC	Y			C	
Louis DeJoy	58	2015	Chief Executive Officer, Supply Chain (retired), XPO Logistics, Inc.					ü
Michael G. Jesselson	64	2011	Lead Independent Director, XPO Logistics, Inc. President and Chief Executive Officer, Jesselson Capital Corporation	Y				ü
Adrian P. Kingshott	56	2011	Chief Executive Officer, AdSon LLC	Y	ü	C		ü
Jason D. Papastavrou*	53	2011	Founder and Chief Investment Officer, ARIS Capital Management, LLC Co-founder, Empiric Asset Management, LLC	Y	ü	ü	ü	C
Oren G. Shaffer	73	2011	Vice Chairman and Chief Financial Officer (retired), Qwest Communications International, Inc.	Y	C			

C = Committee Chair

ü = Committee Member

\* = Audit Committee Financial Expert

AC = Audit Committee

CC = Compensation Committee

NGC = Nominating and Corporate Governance Committee

AcqC = Acquisition Committee

## Governance and Compensation Highlights

Board Independence	Seven of our nine current directors are independent; the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee consist entirely of independent directors.
Board Leadership	In 2016, our Board added a robust lead independent director position to its leadership structure to complement the roles of our independent committees and independent committee chairs in providing effective Board oversight. These independent structures work in conjunction with the dual roles served by our Chairman and Chief Executive Officer. The Board believes that the Board and company's leadership structure functions well for our company and is in the best interests of our stockholders based on the current strategy and ownership structure.
Board Refreshment	Our Board is committed to practices that create an effective mix of useful expertise and fresh perspectives, including the thoughtful refreshment of the Board when appropriate. In 2015, the Board initiated a process to seek out highly qualified director candidates who bring relevant experience to the Board and reflect our company's growing scale and diversity. This has resulted in the addition of two new directors since the last annual meeting. We regularly review our Board practices and composition.
Committee Chair Rotations	As part of its annual review of Board committee composition and committee chair assignments, in March 2016, the Board reconstituted the committees and rotated committee chairs in order to enhance the effective functioning of the committees and bring fresh perspectives to committee processes. The table on the prior page reflects the new committee assignments and chairs.
Annual Director Elections	We proactively declassified our Board in 2015; all directors are elected annually for one-year terms until their successors are elected and qualified.
Majority Voting for Director Elections	Our bylaws provide for a majority voting standard in uncontested elections, and further require that a director who fails to receive a majority vote must tender his or her resignation to the Board.
Board Evaluations	We evaluate Board, committee and director performance and practices regularly.
Risk Oversight and Financial Reporting	Our Board seeks to provide robust oversight of current and potential risks facing our company and its business and demonstrate strong financial reporting practices.
Clawback Policy	Our NEOs and other policy-making executive officers are subject to clawback provisions with respect to annual and long-term cash incentive compensation.
Lock-up Restrictions	Our NEOs are subject to lock-up restrictions that generally prohibit the sale of any equity awarded by our company until September 2, 2018.
Stock Ownership Guidelines	In 2016, our Board established stock ownership guidelines for our NEOs and other executive officers to further align their interests with those of our stockholders.
No Hedging or Pledging of Company Securities	Under our insider trading policy, our company's directors and executive officers, including the NEOs, are prohibited from pledging and hedging transactions involving our company's securities.

## PROXY STATEMENT

This proxy statement sets forth information relating to the solicitation of proxies by the Board of Directors (our “Board of Directors” or our “Board”) of XPO Logistics, Inc. (“XPO Logistics” or our “company”) in connection with our company’s 2016 annual meeting of stockholders or any adjournment or postponement of the annual meeting. This proxy statement is being furnished by our Board of Directors for use at the annual meeting of stockholders to be held on May 11, 2016 at 10:00 a.m., local time, at the Delamar Greenwich Harbor Hotel, located at 500 Steamboat Road, Greenwich, Connecticut 06830.

This proxy statement and form of proxy are first being mailed on or about April 6, 2016, to our stockholders of record as of the close of business on March 24, 2016 (the “Record Date”).

### QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING

The following questions and answers address briefly some questions you may have regarding the annual meeting. These questions and answers may not address all questions that may be important to you as a stockholder of our company. Please refer to the more detailed information contained elsewhere in this proxy statement.

#### ***What items of business will be voted on at the annual meeting?***

The business expected to be voted on at the annual meeting is considering approval of the following proposals:

- To elect seven (7) members of our Board of Directors for a term to expire at the 2017 annual meeting of stockholders or until their successors are duly elected and qualified (*Proposal 1*);
- To ratify the appointment of KPMG LLP (“KPMG”) as our independent registered public accounting firm for 2016 (*Proposal 2*);
- To conduct an advisory vote to approve the executive compensation of our named executive officers as disclosed in this proxy statement (*Proposal 3*); and
- To consider and transact such other business as may properly come before the annual meeting or any adjournments or postponements thereof.

In addition, senior management of XPO Logistics and representatives of our outside auditor, KPMG, will be available to respond to your questions.

#### ***Who can attend and vote at the annual meeting?***

You are entitled to receive notice of and to attend and vote at the annual meeting, or any adjournment or postponement thereof, if, as of the close of business on March 24, 2016, the Record Date, you were a holder of record of our common stock or Series A Convertible Perpetual Preferred Stock (the “Series A Preferred Stock”).

As of the Record Date, there were issued and outstanding 109,735,647 shares of common stock, each of which is entitled to one vote on each matter to come before the annual meeting. In addition, as of the Record Date, there were issued and outstanding 72,885 shares of Series A Preferred Stock. Each share of Series A Preferred Stock is entitled to vote together with our common stock on each matter to come before the annual meeting as if the share of Series A Preferred Stock were converted into shares of common stock as of the Record Date, meaning that each share of Series A Preferred Stock is entitled to approximately 143 votes on each matter to come before the annual meeting. As a result, a total of 120,147,790 votes are eligible to be cast at the annual meeting based on the number of outstanding shares of our common stock and Series A Preferred Stock, voting together as a single class.



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If you wish to attend the annual meeting and your shares are held in an account at a broker, dealer, commercial bank, trust company or other nominee (i.e., in “street name”), you will need to bring a copy of your voting instruction card or statement reflecting your share ownership as of the Record Date. Street name holders who wish to vote at the annual meeting will need to obtain a proxy from the broker, dealer, commercial bank, trust company or other nominee that holds their shares.

### ***Do I need a ticket to attend the annual meeting?***

Yes, you will need an admission card to enter the annual meeting. You may request tickets by providing the name under which you hold shares of record or, if your shares are held in the name of a bank, broker or other holder of record, the evidence of your beneficial ownership of the shares, the number of tickets you are requesting and your contact information. You can submit your request in the following ways:

- by sending an e-mail to [annualmeeting@xpo.com](mailto:annualmeeting@xpo.com); or
- by calling us toll-free at (855) 976-6951.

Stockholders also must present a form of personal photo identification in order to be admitted to the annual meeting. If you plan to attend the 2016 annual meeting, you can obtain directions to the Delamar Greenwich Harbor Hotel from the hotel’s website at [www.delamargreenwich.com/greenwich-ct-hotel-location.php](http://www.delamargreenwich.com/greenwich-ct-hotel-location.php).

### ***How many shares must be present to conduct business at the annual meeting?***

A quorum is necessary to hold a valid meeting of stockholders. For each of the proposals to be presented at the annual meeting, the holders of shares of our common stock or Series A Preferred Stock outstanding on the Record Date representing 60,073,896 votes must be present at the annual meeting, in person or by proxy. If you vote—including by Internet, telephone or proxy card—your shares voted will be counted towards the quorum for the annual meeting. Abstentions and broker non-votes are counted as present for the purpose of determining a quorum.

### ***What are my voting choices?***

With respect to the election of directors, you may vote “FOR” or “AGAINST” each of the director nominees, or you may “ABSTAIN” from voting for one or more of such nominees. With respect to the other proposals to be considered at the annual meeting, you may vote “FOR” or “AGAINST” or you may “ABSTAIN” from voting on any proposal to be voted on at the annual meeting. If you sign your proxy or voting instruction card without giving specific instructions, your shares will be voted in accordance with the recommendations of our Board of Directors and in the discretion of the proxy holders on any other matters that properly come before the annual meeting.

### ***What vote is required to approve the proposals being considered at the annual meeting?***

- **Proposal 1: Election of seven (7) directors.** The election of the seven (7) director nominees named in this proxy statement requires the affirmative vote of a majority of the votes cast (meaning the number of shares voted “for” a nominee must exceed the number of shares voted “against” such nominee) by holders of shares of our common stock (including those that would be issued if all our outstanding Series A Preferred Stock had converted into shares of our common stock as of the Record Date) at the annual meeting at which a quorum is present. If any incumbent director standing for re-election receives a greater number of votes “against” his or her election than votes “for” such election, our bylaws require that such person must promptly tender his or her resignation to our Board of Directors. You may not accumulate your votes for the election of directors.

Brokers may not use discretionary authority to vote shares on the election of directors if they have not received specific instructions from their clients. If you are a beneficial owner of shares, for your vote to

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be counted in the election of directors, you will need to communicate your voting decisions to your bank, broker or other nominee before the date of the annual meeting in accordance with their specific instructions. Abstentions and broker non-votes are not considered votes cast for purposes of tabulation of such vote, and will have no effect on the election of director nominees.

- **Proposal 2: Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2016.** Ratification of the appointment of KPMG as our independent registered public accounting firm for the year ending December 31, 2016 requires the affirmative vote of a majority of the votes cast (meaning the number of shares voted “for” such proposal must exceed the number of shares voted “against” such proposal) by holders of shares of our common stock (including those that would be issued if all our outstanding Series A Preferred Stock had converted into shares of our common stock as of the Record Date) at the annual meeting at which a quorum is present. Abstentions are not considered votes cast for purposes of tabulation of the foregoing vote, and will have no effect on the ratification of KPMG. We do not expect any broker non-votes as brokers have discretionary authority to vote on this proposal.
- **Proposal 3: Advisory vote to approve executive compensation.** Advisory approval of the resolution on executive compensation of our named executive officers as disclosed in this proxy statement requires the affirmative vote of a majority of the votes cast (meaning the number of shares voted “for” such proposal must exceed the number of shares voted “against” such proposal) by holders of shares of our common stock (including those that would be issued if all our outstanding Series A Preferred Stock had converted into shares of our common stock as of the Record Date) at the annual meeting at which a quorum is present.

Brokers may not use discretionary authority to vote shares on the advisory vote to approve executive compensation if they have not received specific instructions from their clients. If you are a beneficial owner of shares, for your vote to be counted in the advisory vote to approve executive compensation, you will need to communicate your voting decisions to your bank, broker or other nominee before the date of the annual meeting in accordance with their specific instructions. Abstentions and broker non-votes are not considered votes cast for purposes of tabulation of such vote, and will have no effect on the advisory vote to approve executive compensation.

In general, other business properly brought before the annual meeting requires the affirmative vote of a majority of the votes cast (meaning the number of shares voted “for” such proposal must exceed the number of shares voted “against” such proposal) by holders of shares of our common stock (including those that would be issued if all our outstanding Series A Preferred Stock had converted into shares of our common stock as of the Record Date) at the annual meeting at which a quorum is present.

### ***How does the Board of Directors recommend that I vote?***

Our Board of Directors, after careful consideration, recommends that our stockholders vote “**FOR**” the election of each director nominee named in this proxy statement, “**FOR**” ratification of KPMG as our independent registered public accounting firm for 2016, and “**FOR**” advisory approval of the resolution to approve executive compensation.

### ***What do I need to do now?***

We urge you to read this proxy statement carefully. Then just mail your completed, dated and signed proxy card in the enclosed return envelope as soon as possible so that your shares can be voted at the annual meeting of stockholders. Holders of record may also vote by telephone or the Internet by following the instructions on the proxy card.

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### ***How do I cast my vote?***

**Registered Stockholders.** If you are a registered stockholder (*i.e.*, you hold your shares in your own name through our transfer agent, Computershare Trust Company, N.A., and not through a broker, bank or other nominee that holds shares for your account in “street name”), you may vote by proxy via the Internet, by telephone, or by mail by following the instructions provided on the proxy card. Proxies submitted by telephone or through the Internet must be received by 1:00 a.m., Eastern Daylight Time, on May 11, 2016. Please see the proxy card provided to you for instructions on how to submit your proxy by telephone or the Internet. Stockholders of record who attend the annual meeting may vote in person by obtaining a ballot from the inspector of elections.

**Beneficial Owners.** If you are a beneficial owner of shares (*i.e.*, your shares are held in the name of a brokerage firm, bank or a trustee), you may vote by proxy by following the instructions provided in the vote instruction form or other materials provided to you by the brokerage firm, bank or other nominee that holds your shares. To vote in person at the annual meeting, you must obtain a legal proxy from the brokerage firm, bank or other nominee that holds your shares.

### ***What is the deadline to vote?***

If you hold shares as the stockholder of record, your vote by proxy must be received before the polls close at the annual meeting. As indicated on the proxy card provided to you, proxies submitted by telephone or through the Internet must be received by 1:00 a.m., Eastern Daylight Time, on May 11, 2016.

If you are the beneficial owner of shares, please follow the voting instructions provided by your broker, trustee or other nominee.

### ***What happens if I do not respond or if I respond and fail to indicate my voting preference or if I abstain from voting?***

If you fail to sign, date and return your proxy card or fail to vote by telephone or Internet as provided on your proxy card, your shares will not be counted towards establishing a quorum for the annual meeting, which requires holders representing a majority of the outstanding shares of our common stock (including those that would be issued if all of our outstanding Series A Preferred Stock had converted into shares of our common stock as of the Record Date) to be present in person or by proxy. Failure to vote, assuming the presence of a quorum, will have no effect on the tabulation of the vote on the proposals.

If you are a stockholder of record and you properly sign, date and return your proxy card, but do not indicate your voting preference, we will count your proxy as a vote in favor of the election of the seven nominees for director named in “Proposal 1—Election of Directors” and as a vote in favor of the other proposals.

### ***If my shares are held in “street name” by my broker, dealer, commercial bank, trust company or other nominee, will such broker or other nominee vote my shares for me?***

You should instruct your broker or other nominee on how to vote your shares using the instructions provided by such broker or other nominee. Absent specific voting instructions, brokers or other nominees who hold shares of our common stock in “street name” for customers are prevented by the rules set forth in the Listed Company Manual (the “NYSE Rules”) of the New York Stock Exchange (the “NYSE”) from exercising voting discretion in respect of non-routine or contested matters. We expect that when the NYSE evaluates the proposals to be voted on at the annual meeting to determine whether each proposal is a routine or non-routine matter, only “Proposal 2—Ratification of the Appointment of KPMG LLP as Our Independent Registered Public Accounting Firm for 2016” will be evaluated as routine. Shares not voted by a broker or other nominee because such broker or other nominee does not have instructions or cannot exercise discretionary voting power with respect to one or more proposals are referred to as “broker non-votes”. It is important that you instruct your broker or other nominee on how to vote your shares of our common stock held in “street name” in accordance with the voting instructions provided by such broker or other nominee.

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### ***Can I change my vote after I have mailed my proxy card?***

Yes. Whether you attend the annual meeting or not, you may revoke a proxy at any time before your proxy is voted at the annual meeting. You may do so by properly delivering a later-dated proxy either by mail, the Internet or telephone or by attending the annual meeting in person and voting. Please note, however, your attendance at the annual meeting will not automatically revoke any prior proxy unless you vote again at the annual meeting or specifically request in writing that your prior proxy be revoked. You also may revoke your proxy by delivering a notice of revocation to our company (Attention: Secretary, XPO Logistics, Inc., Five Greenwich Office Park, Greenwich, Connecticut 06831) prior to the vote at the annual meeting. If you hold your shares through a broker, dealer, commercial bank, trust company or other nominee, you should follow the instructions of such broker or other nominee regarding revocation of proxies.

### ***How will the persons named as proxies vote?***

If you complete and submit a proxy, the persons named as proxies will follow your instructions. If you submit a proxy but do not provide instructions, or if your instructions are unclear, the persons named as proxies will vote as recommended by our Board of Directors or, if no recommendation is given, in their own discretion.

### ***Where can I find the results of the voting?***

We intend to announce preliminary voting results at the annual meeting and will publish final results through a Current Report on Form 8-K to be filed with the Securities and Exchange Commission ("SEC") within four (4) business days after the annual meeting. The Current Report on Form 8-K will be available on the Internet at our website, [www.xpo.com](http://www.xpo.com).

### ***Who will pay for the cost of soliciting proxies?***

We will pay for the cost of soliciting proxies. We have engaged Innisfree M&A Incorporated to assist us in soliciting proxies in connection with the annual meeting, and have agreed to pay them approximately \$11,000, plus their expenses for providing such services. Our directors, officers and other employees, without additional compensation, may solicit proxies personally, in writing, by telephone, by email or otherwise. As is customary, we will reimburse brokerage firms, fiduciaries, voting trustees, and other nominees for forwarding our proxy materials to each beneficial owner of common stock or Series A Preferred Stock held of record by them.

### ***What is "householding" and how does it affect me?***

In accordance with notices to many stockholders who hold their shares through a bank, broker or other holder of record (a "street-name stockholder") and share a single address, only one copy of our proxy statement and 2015 annual report to stockholders is being delivered to that address unless contrary instructions from any stockholder at that address were received. This practice, known as "householding," is intended to reduce our printing and postage costs. However, any such street-name stockholder residing at the same address who wishes to receive a separate copy of this proxy statement and annual report may request a copy by contacting the bank, broker or other holder of record, or by sending a written request to: Investor Relations, XPO Logistics, Inc., Five Greenwich Office Park, Greenwich, Connecticut 06831 or by contacting Investor Relations by telephone at (855) 976-6951. The voting instruction form sent to a street-name stockholder should provide information on how to request (1) householding of future company materials or (2) separate materials if only one set of documents is being sent to a household. A stockholder who would like to make one of these requests should contact us as indicated above.

### ***Can I obtain an electronic copy of proxy materials?***

Yes, this proxy statement, annual report and the proxy card are available on the Internet at [www.edocumentview.com/XPO](http://www.edocumentview.com/XPO).

**BOARD OF DIRECTORS AND CORPORATE GOVERNANCE****Directors**

Our Board of Directors currently consists of nine members, as set forth in the table below. The current terms of each of our directors will expire at the 2016 annual meeting of stockholders. Our Board of Directors has nominated seven of the current directors to stand for re-election at the annual meeting, as set forth in Proposal 1 on page 55 of this proxy statement. Two of our current nine directors, Mr. G. Chris Andersen and Mr. James J. Martell, are not standing for re-election at the 2016 annual meeting and will retire from the Board of Directors as of the 2016 annual meeting.

<b>Name</b>	<b>Occupation</b>
Bradley S. Jacobs	Chairman and Chief Executive Officer, XPO Logistics, Inc.
G. Chris Andersen	Founder and Managing Partner, G. C. Andersen Partners, LLC
Gena L. Ashe	Chief Legal Officer (retired), BrightView Landscapes, LLC
Louis DeJoy	Chief Executive Officer, Supply Chain (retired), XPO Logistics, Inc.
Michael G. Jesselson	Lead Independent Director, XPO Logistics, Inc.; President and Chief Executive Officer, Jesselson Capital Corporation
Adrian P. Kingshott	Chief Executive Officer, AdSon LLC
James J. Martell	Independent Operating Executive, Welsh, Carson, Anderson & Stowe
Jason D. Papastavrou	Founder and Chief Investment Officer, ARIS Capital Management, LLC Co-founder, Empiric Asset Management, LLC
Oren G. Shaffer	Vice Chairman and Chief Financial Officer (retired), Qwest Communications International, Inc.

Under the terms of an Investment Agreement, dated as of June 13, 2011 (the “Investment Agreement”), by and among Jacobs Private Equity, LLC (“JPE”), the other investors party thereto (collectively with JPE, the “Investors”), and our company, our company must take all necessary steps to nominate, and must use its reasonable best efforts to cause our Board of Directors to unanimously recommend that our stockholders vote in favor of, all nominees for election to our Board of Directors designated by Bradley S. Jacobs, as the managing member of JPE, subject to our Board of Directors’ fiduciary duties. JPE also has the right to designate certain percentages of the nominees for our Board of Directors so long as JPE owns securities (including preferred stock convertible into, or warrants exercisable for, securities) representing specified percentages of the total voting power of our capital stock on a fully-diluted basis. JPE does not currently exceed the indicated voting power thresholds under the Investment Agreement. The foregoing rights of JPE under the Investment Agreement are in addition to, and not in limitation of, JPE’s voting rights as a holder of capital stock of our company. JPE is controlled by Bradley S. Jacobs, our Chairman of the Board and Chief Executive Officer. The Investment Agreement and the terms contemplated therein were approved by our stockholders at a special meeting on September 1, 2011.

None of the foregoing will prevent our Board of Directors from acting in accordance with its fiduciary duties or applicable law or stock exchange requirements or from acting in good faith in accordance with our governing documents, while giving due consideration to the intent of the Investment Agreement.

Our Board of Directors consists of a highly experienced group of business leaders, many of whom have served as executive officers or on boards and board committees of major companies and have an extensive understanding of the principles of corporate governance. Our Board as a whole has broad expertise in corporate finance, capital markets, compliance and risk assessment, corporate governance, mergers and acquisitions integration, investment banking, legal and operational matters, as well as in the transportation and logistics sectors and public company board experience. In addition, our directors have a strong owner

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orientation—approximately 17% of the voting power of our capital stock on a fully-diluted basis is held by our directors or by entities or persons related to our directors (as of March 24, 2016). In 2015, our Board initiated a process to seek out highly qualified board candidates who bring relevant experience to the Board and reflect our company’s growing scale and diversity. This process has resulted in the addition of two new directors since the last annual meeting of stockholders: Ms. Ashe and Mr. DeJoy.

We have set forth below information regarding each of our director nominees, including the experience, qualifications, attributes or skills that led our Board of Directors to conclude that such person should serve as a director.

### **Bradley S. Jacobs**

**Director since 2011**

Mr. Jacobs has served as our Chief Executive Officer and Chairman of our Board of Directors since September 2, 2011. Mr. Jacobs is also the managing director of JPE, which is our largest stockholder. He has led two public companies: United Rentals, Inc. (NYSE: URI), which he co-founded in 1997, and United Waste Systems, Inc., which he founded in 1989. Mr. Jacobs served as chairman and chief executive officer of United Rentals for that company’s first six years, and as executive chairman for an additional four years. He served eight years as chairman and chief executive officer of United Waste Systems. Previously, Mr. Jacobs founded Hamilton Resources (UK) Ltd. and served as its chairman and chief operating officer. This followed the co-founding of his first venture, Amerex Oil Associates, Inc., where he was chief executive.

**Age:** 59

**Board Committees:** None

**Other Public Company Boards:** None

#### ***Mr. Jacobs brings to the Board:***

- in-depth knowledge of the company’s business resulting from his years of service with the company in various capacities
- leadership experience as the company’s current Chief Executive Officer and Chairman, and his successful track record of leading companies that execute strategies similar to ours
- extensive experience as the chairman of the board of directors of several public companies

### **Gena L. Ashe**

**Director since 2016**

Ms. Ashe joined our Board of Directors on March 21, 2016. Ms. Ashe has more than 20 years of broad based legal experience across a variety of industries, most recently serving as chief legal officer of BrightView Landscapes, LLC (formerly The Brickman Group, Ltd.), a commercial landscape, maintenance and snow removal company in the United States. In that role, which she held from February 2013 until March 2016, she was responsible for leading all aspects of BrightView’s legal, risk management, safety, compliance and corporate governance functions. Prior to joining BrightView, from September 2010 until October 2012, Ms. Ashe held senior legal roles with Catalina Marketing Corporation, a data management company, and prior to that, with the Public Broadcasting Service (PBS), Darden Restaurants, Inc., Lucent Technologies, Inc. and AT&T. Earlier, she was an electrical engineer with IBM Corporation before joining IBM’s legal team. Ms. Ashe holds a bachelor’s degree in mathematics and physics from Spelman College, a master’s degree in electrical engineering from Georgia Institute of Technology, and a doctor of law degree from Georgetown University. She is a graduate of the executive development program of the Wharton School of the University of Pennsylvania, and holds a certificate in international management from Oxford University in England.

**Age:** 54

**Board Committees:**

- Chair of Nominating and Corporate Governance Committee

**Other Public Company Boards:** None

#### ***Ms. Ashe brings to the Board:***

- more than two decades of valuable legal experience with public and private companies, which enables her to provide guidance to the Board and company management on legal matters, compliance and risk assessment and corporate governance best practices
- an understanding of the dynamics of three of our most important customer verticals —e-commerce, technology, and food and beverage.

**Louis DeJoy**

**Director since 2015**

Mr. DeJoy has served as a director of the company since December 3, 2015. He was most recently chief executive officer of the XPO Logistics supply chain business in the Americas. Previously, he led New Breed Logistics as its chairman and chief executive officer from 1983 until XPO Logistics acquired New Breed in 2014. During that time, he grew the company from a small, regional operation to a leading U.S. provider of highly engineered, technology-driven contract logistics solutions. Mr. DeJoy is a member of the boards of trustees of Elon University and the PGA Wyndham Championship, and serves on the board of directors for The Fund for American Studies in Washington, DC. He is a past member of the board of trustees of Moses Cone Health System in North Carolina, and was an appointee to the President's Commission on White House Fellowships. He holds a business degree from Stetson University.

**Age:** 58

**Board Committees:**

- Member of Acquisition Committee
- Other Public Company Boards:** None

**Mr. DeJoy brings to the Board:**

- significant expertise in supply chain operations that allows him to provide guidance to our Board on strategic and operational matters with respect to our logistics business unit

**Michael G. Jesselson**

**Director since 2011, Lead Independent Director since 2016**

Mr. Jesselson has served as a director of the company since September 2, 2011, and as lead independent director since March 20, 2016. Mr. Jesselson has served as the president and chief executive officer of Jesselson Capital Corporation since 1994. He is a longstanding director of American Eagle Outfitters, Inc. and serves as that company's lead independent director. Additionally, he is a director of C-III Capital Partners LLC and other private companies, as well as numerous philanthropic organizations.

**Age:** 64

**Board Committees:**

- Member of Nominating and Corporate Governance Committee

**Other Public Company Boards:** American Eagle Outfitters, Inc. (since 1997)

**Mr. Jesselson brings to the Board:**

- significant experience with public company corporate governance issues through service with American Eagle Outfitters on its board since 1997 and as its lead independent director since 2012
- investment expertise

**Adrian P. Kingshott**

**Director since 2011**

Mr. Kingshott has served as a director of the company since September 2, 2011. He has served as the chief executive officer of AdSon LLC since 2006, senior advisor to Headwaters Merchant Bank since 2013 and advisory director of Spotlight Advisors LLC since 2015. Previously, with Goldman Sachs, he was co-head of the firm's Leveraged Finance business, among other positions. More recently, Mr. Kingshott was a managing director of Amaranth Advisors, LLC. He is an adjunct professor of Global Capital Markets at Fairfield University's Dolan School of Business, and an adjunct professor of Global Capital Markets and Investments at Fordham University's School of Business and the Gabelli School of Business. He holds a master of business administration degree from Harvard Business School and a master of jurisprudence degree from Oxford University. Mr. Kingshott is a member of the board of directors of Centre Lane Investment Corp.

**Age:** 56

**Board Committees:**

- Chairman of Compensation Committee
- Member of Audit Committee
- Member of Acquisition Committee

**Other Public Company Boards:** None

**Mr. Kingshott brings to the Board:**

- more than 25 years of experience in the investment banking and investment management industries
- expertise with respect to acquisition transactions, debt and equity financing and corporate financial management issues

**Jason D. Papastavrou, Ph.D**

**Director since 2011**

Dr. Papastavrou has served as a director of the company since September 2, 2011. Dr. Papastavrou is the founder and chief investment officer of ARIS Capital Management, LLC and is the cofounder of Empiric Asset Management, LLC. Previously, Dr. Papastavrou was the founder and managing director of the Fund of Hedge Funds Strategies Group of Banc of America Capital Management (BACAP), president of BACAP Alternative Advisors, and a senior portfolio manager with Deutsche Asset Management. He was a tenured professor at Purdue University School of Industrial Engineering, and holds a doctorate in electrical engineering and computer science from the Massachusetts Institute of Technology. Dr. Papastavrou serves on the board of directors of United Rentals, Inc.

**Age:** 53

**Board Committees:**

- Chairman of Acquisition Committee
- Member of Audit Committee
- Member of Compensation Committee
- Member of Nominating and Corporate Governance Committee

**Other Public Company Boards:** United Rentals, Inc. (since 2005)

**Dr. Papastavrou brings to the Board:**

- financial expertise from his qualifications as an “audit committee financial expert” under Item 407(d)(5) of Regulation S-K
- experience with finance and risk-related matters from holding senior positions at investment management firms

**Oren G. Shaffer**

**Director since 2011**

Mr. Shaffer has served as a director of the company since September 2, 2011. From 2002 to 2007, Mr. Shaffer was vice chairman and chief financial officer of Qwest Communications International, Inc. (now CenturyLink, Inc.). Previously, Mr. Shaffer was president and chief operating officer of Sorrento Networks, Inc., executive vice president and chief financial officer of Ameritech Corporation, and held senior executive positions with The Goodyear Tire & Rubber Company, where he also served on the board of directors. Mr. Shaffer is a director on the board of Terex Corporation and the supervisory board of Terex Material Handling & Port Solutions. He has previously held board positions with Belgacom S.A., Demag Cranes AG and Intermec, Inc. He holds a master’s degree in management from the Sloan School of Management, Massachusetts Institute of Technology, and a degree in finance and business administration from the University of California, Berkeley.

**Age:** 73

**Board Committees:**

- Chairman of Audit Committee

**Other Public Company Boards:** Terex Corporation (since 2007)

**Mr. Shaffer brings to the Board:**

- senior financial, operational and strategic experience with various large companies
- corporate governance expertise from serving as director of various public companies

**Role of the Board and Board Leadership Structure**

Our business and affairs are managed under the direction of our Board of Directors, which is our company’s ultimate decision-making body, except with respect to those matters reserved to our stockholders. Our Board’s primary responsibility is to seek to maximize long-term stockholder value. Our Board establishes our overall corporate policies, selects and evaluates our senior management team, which is charged with the conduct of our business, monitors the performance of our company and management, and provides advice and counsel to management. In fulfilling the Board’s responsibilities, directors have full access to our management, internal and external auditors and outside advisors.

Furthermore, our Board of Directors is committed to independent Board oversight. Our current Board leadership structure includes an executive Chairman and a lead director who is an independent director, coupled



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with new chairs of all of our Board's committees. The positions of Chairman of the Board and Chief Executive Officer are both currently held by Mr. Jacobs. Our Board believes that this combination of roles is currently appropriate because the dual roles enable decisive leadership and ensure clear accountability in the context of strong Board practices and Board culture that facilitate independent oversight. Our Board believes the dual roles function well for our company based on our current strategy, governance and ownership structure.

In 2016, our Board of Directors approved amendments to our company's Corporate Governance Guidelines (the "Guidelines") to provide that the independent directors may appoint a lead independent director who presides over executive sessions of the independent directors, who shall serve a term of at least one year. On March 20, 2016, the independent directors appointed Mr. Jesselson to serve as lead independent director. The position of lead independent director has been structured to serve as an effective balance to the dual roles served by Mr. Jacobs. The lead independent director is selected from the independent directors of the Board of Directors. The lead independent director presides at all meetings of the Board of Directors at which the Chairman is not present and presides at all executive sessions of the independent directors. The Guidelines require that the independent directors meet at least once a year without members of management present, and the lead independent director is empowered to call additional meetings of the independent directors as necessary. In practice, our independent directors have met much more frequently in executive session. The lead independent director also serves as a liaison between the Chairman and the independent directors. Together with the Chairman, the lead independent director develops and approves Board meeting agendas, meeting schedules, and meeting materials to be distributed to our Board of Directors in order to assure sufficient time for informed discussions of issues. The lead independent director is also available to meet with significant stockholders as appropriate and required.

Further information regarding the position of lead independent director is set forth in the Guidelines. The Guidelines are available on the company's corporate website at [www.xpo.com](http://www.xpo.com) under the Investors tab.

Our Board of Directors held 14 meetings during 2015. In 2015, each person serving as a director attended at least 75% of the total number of meetings of our Board of Directors and any Board committee on which he served. Our Board of Directors also acted eight times during 2015 via unanimous written consent.

Our directors are expected to attend the annual meeting. Any director who is unable to attend the annual meeting is expected to notify the Chairman of the Board in advance of the annual meeting. Each person who was then serving as a director attended the 2015 annual meeting of stockholders, except Mr. Jesselson.

### **Board Risk Oversight**

Our Board of Directors provides overall risk oversight with a focus on the most significant risks facing our company, and the management of the risks that we face in the conduct of our business is primarily the responsibility of our senior management team. Our senior management team periodically reviews with our Board of Directors any significant risks facing our company. Our business, strategies, operations, policies, controls and prospects are regularly discussed by our Board of Directors and management team, including as to current and potential risks and approaches for assessing, monitoring, mitigating and controlling risk exposure. Our Board of Directors has delegated responsibility for the oversight of specific risks to the committees of the Board as follows:

- *Audit Committee.* The Audit Committee oversees the policies that govern the process by which our exposure to risk is assessed and managed by management. In that role, the Audit Committee discusses with our management major financial risk exposures and the steps that management has taken to monitor and control these exposures. The Audit Committee also is responsible for reviewing risks arising from related party transactions involving our company and overseeing our company-wide Code of Business Conduct and Ethics and our Senior Officer Code of Business Conduct and Ethics.
- *Compensation Committee.* The Compensation Committee monitors the risks associated with our compensation philosophy and programs.

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- *Nominating and Corporate Governance Committee.* The Nominating and Corporate Governance Committee oversees risks related to our governance structure and processes.
- *Acquisition Committee.* The Acquisition Committee oversees risks related to the execution of our acquisition strategy.

Our Board of Directors and Compensation Committee, in consultation with our independent compensation consultant Semler Brossy Consulting Group, LLC (“Semler Brossy”), have assessed the risks that could arise from our employee compensation policies and do not believe that such policies are reasonably likely to have a materially adverse effect on our company.

### **Committees of the Board and Committee Membership**

Our Board of Directors has established four separately designated standing committees to assist our Board of Directors in discharging its responsibilities: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Acquisition Committee. Our Board of Directors may eliminate or create additional committees as it deems appropriate. The charters for our Board committees are in compliance with applicable SEC rules and the NYSE Listed Company Manual. These charters are available at [www.xpo.com](http://www.xpo.com). You may obtain a printed copy of any of these charters by sending a request to: Investor Relations, XPO Logistics, Inc., Five Greenwich Office Park, Greenwich, Connecticut 06831.

The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are composed entirely of independent directors within all applicable standards (as further discussed below). Our Board of Directors’ general policy is to review and approve committee assignments annually. The Nominating and Corporate Governance Committee is responsible, after consultation with our Chairman of the Board and Chief Executive Officer and consideration of appropriate member qualifications, to recommend to our Board of Directors for approval all committee assignments, including designations of the chairs. Each committee is also authorized to retain its own outside counsel and other advisors as it desires.

In March 2016, as part of its annual review of the composition of Board committees and the assignment of committee chairs, the Board decided to reconstitute the committees and rotate committee chairs in order to enhance the effective functioning of the committees and to bring fresh perspectives to the committees. The following table sets forth the current membership of each of our Board committees as of March 24, 2016, and reflects the newly-assigned chairs. Mr. Jacobs and Mr. Martell currently do not serve on any Board committees.

<u>Name</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Nominating and Corporate Governance Committee</u>	<u>Acquisition Committee</u>
G. Chris Andersen		ü		
Gena L. Ashe			C	
Louis DeJoy				ü
Michael G. Jesselson			ü	
Adrian P. Kingshott	ü	C		ü
Jason D. Papastavrou*	ü	ü	ü	C
Oren G. Shaffer	C			

C = Committee Chair

ü = Committee Member

\* = Audit Committee Financial Expert

A brief summary of the committees’ responsibilities follows:

**Audit Committee.** The Audit Committee assists our Board of Directors in fulfilling its responsibilities in a number of areas, including, without limitation, oversight of: (i) our accounting and financial reporting processes, including our systems of internal controls and disclosure controls, (ii) the integrity of our financial statements,

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(iii) our compliance with legal and regulatory requirements, (iv) the qualifications and independence of our outside auditors, (v) the performance of our outside auditors and internal audit function and (vi) related party transactions. Each member of the Audit Committee satisfies all applicable independence standards, has not participated in the preparation of our financial statements at any time during the past three years and is able to read and understand fundamental financial statements. During 2015, the Audit Committee was comprised of the following three directors: Dr. Papastavrou (Chair), Mr. Jesselson and Mr. Kingshott. The Audit Committee met four times during 2015 and acted four times via unanimous written consent. Our Board of Directors has determined that Dr. Papastavrou is an “audit committee financial expert” as defined under Item 407(d)(5) of Regulation S-K under the Exchange Act.

**Compensation Committee.** The primary responsibilities of the Compensation Committee are, among other things: (i) to oversee the administration of our compensation programs, (ii) to review the compensation of our executive management and annual bonus compensation, (iii) to review company contributions to qualified and non-qualified plans and (iv) to prepare any report on executive compensation required by SEC rules and regulations. During 2015, the Compensation Committee was comprised of the following three directors: Mr. Andersen (Chair), Dr. Papastavrou and Mr. Shaffer. The Compensation Committee met six times during 2015 and acted seven times via unanimous written consent.

**Nominating and Corporate Governance Committee.** The primary responsibilities of the Nominating and Corporate Governance Committee are, among other things: (i) to identify individuals qualified to become Board members and recommend that our Board of Directors select such individuals to be presented for stockholder consideration at the annual meeting or to be appointed by the Board of Directors to fill a vacancy, (ii) to make recommendations to our Board of Directors concerning committee appointments, (iii) to develop, recommend to our Board of Directors and annually review the Guidelines and oversee corporate governance matters and (iv) to oversee an annual evaluation of our Board of Directors and committees. During 2015, the Nominating and Corporate Governance Committee was comprised of the following three directors: Mr. Jesselson (Chair), Mr. Kingshott and Mr. Martell. The Nominating and Corporate Governance Committee met once during 2015 and acted once via unanimous written consent.

**Acquisition Committee.** The Acquisition Committee is responsible for reviewing and approving acquisition, divestiture and related transactions proposed by our management in which the total consideration to be paid or received by us, for any particular transaction, does not exceed the limits that may be established by our Board of Directors from time to time. During 2015, the Acquisition Committee was comprised of the following three directors: Mr. Kingshott (Chair), Mr. Jesselson and Dr. Papastavrou. The Acquisition Committee did not meet during 2015. In 2015, the full Board of Directors considered all acquisition-related matters.

**Director Compensation**

The following table sets forth information concerning the compensation of each person who served as a non-employee director of our company during 2015.

**2015 Director Compensation Table<sup>(1)</sup>**

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards<sup>(2)</sup> (\$)</b>	<b>Option Awards<sup>(2)</sup> (\$)</b>	<b>Total (\$)</b>
G. Chris Andersen <sup>(3)</sup>	\$ 62,500	\$ 172,962	—	\$235,462
Louis DeJoy	\$ 3,941	—	—	\$ 3,941
Michael G. Jesselson <sup>(4)</sup>	\$ 57,500	\$ 172,962	—	\$230,462
Adrian P. Kingshott <sup>(4)</sup>	\$ 57,500	\$ 172,962	—	\$230,462
James J. Martell <sup>(5)</sup>	\$ 50,000	\$ 172,962	—	\$222,962
Jason D. Papastavrou <sup>(6)</sup>	\$ 62,500	\$ 172,962	—	\$235,462
Oren G. Shaffer <sup>(6)</sup>	\$ 50,000	\$ 172,962	—	\$222,962

(1) Compensation information for Mr. Jacobs, who is also a named executive officer of our company, is disclosed in this proxy statement under the heading “Executive Compensation—Compensation Tables.” Mr. Jacobs did not receive additional compensation for his service as a director.

(2) The amounts reflected in this column represent the grant date fair value of the awards made in 2015, as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification 718 “Compensation—Stock Compensation” (“ASC 718”). For further discussion of the assumptions used in the calculation of the grant date fair value, please see “Notes to Consolidated Financial Statements—Note 13. Stock-Based Compensation” of our company’s Annual Report on Form 10-K for the year ended December 31, 2015. The values reported in this column represent 4,257 restricted stock units (“RSUs”) granted to each of Messrs. Andersen, Jesselson, Kingshott, Martell and Shaffer and Dr. Papastavrou on January 2, 2015 for service as a director in 2015, which vested on January 2, 2016. Each current director serving on January 4, 2016 also received a grant of 6,501 RSUs on such date for service as a director in 2016, which grants are not reflected in the table above.

(3) As of December 31, 2015, Mr. Andersen held 24,000 stock options and 6,757 RSUs.

(4) As of December 31, 2015, each of Messrs. Jesselson and Kingshott held 24,000 stock options and 4,257 RSUs.

(5) As of December 31, 2015, Mr. Martell held 49,000 stock options and 9,257 RSUs.

(6) As of December 31, 2015, each of Dr. Papastavrou and Mr. Shaffer held 24,000 stock options and 9,257 RSUs.

The compensation of our directors is subject to the approval of our Board of Directors, which is based, in part, on the review and recommendation of the Compensation Committee. Directors who are employees of our company do not receive additional compensation for service as members of either our Board of Directors or its committees. In December 2015, in consultation with Semler Brossy and upon the recommendation of our Compensation Committee, our Board of Directors reviewed our outside director compensation program and decided that no changes were necessary for 2016.

Our non-employee directors receive an annual cash retainer of \$50,000, payable quarterly in arrears, and an annual RSU grant with a target grant date value of \$175,000. The RSUs are granted on the first business day of each calendar year and vest on the first anniversary of the grant date. The number of RSUs granted to each outside director is determined by dividing \$175,000 by the average of the closing prices of the company’s common stock on the ten trading days immediately preceding the grant date. Unvested stock options and RSUs

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will be forfeited upon termination of service for any reason. Under our outside director compensation program, the chairpersons of our Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Acquisition Committee each receive an additional annual cash retainer of \$12,500, \$12,500, \$7,500 and \$7,500, respectively, payable quarterly in arrears. No other fees are paid to our directors for their attendance at or participation in meetings of our Board or its committees. We also reimburse our directors for expenses incurred in the performance of their duties, including reimbursement for air travel and hotel expenses.

In 2016, our Board adopted stock ownership guidelines and stock retention requirements that apply to our non-employee directors and executive officers. Non-employee directors are subject to a stock ownership guideline of six (6) times the annual cash retainer. To determine compliance with these guidelines, generally, common shares held directly or indirectly, and unvested restricted stock units subject solely to time-based vesting count towards meeting the stock ownership guidelines. Stock options, whether vested or unvested, and equity-based awards subject to performance-based vesting conditions are not counted towards meeting the stock ownership guidelines. Until the guidelines are met, 70% of the net shares (after tax withholding) received upon vesting of equity-based awards are required to be retained by the director. As of March 24, 2016, each of our non-employee directors other than Ms. Ashe, who joined the Board in March 2016, was in compliance with our stock ownership guidelines.

### **Compensation Committee Interlocks and Insider Participation**

None of the members of our Compensation Committee has been an officer or employee of our company. During our last completed fiscal year, none of our executive officers served as a member of the compensation committee of any entity that has one or more executive officers serving on our Compensation Committee.

### **Corporate Governance Guidelines and Codes of Ethics**

Our Board of Directors is committed to sound corporate governance principles and practices. Our Board adopted the Guidelines on January 16, 2012 and most recently adopted amendments to the Guidelines in March 2016 to, among other matters (i) provide for a robust lead independent director position as described further in “Role of the Board and Board Leadership Structure” on page 12, and (ii) reflect the Board’s commitment, when searching for new directors, to actively seek out highly qualified women and individuals from minority groups to include in the pool from which Board nominees are chosen. Our Board continues to seek out highly qualified board candidates who bring relevant expertise and reflect the company’s growing scale and diversity.

The Guidelines serve as a framework within which our Board of Directors conducts its operations. Among other things, the Guidelines include criteria for determining the qualifications and independence of the members of our Board, requirements for the standing committees of our Board, responsibilities for members of our Board and the annual evaluation of the effectiveness of our Board and its committees. The Nominating and Corporate Governance Committee is responsible for reviewing the Guidelines annually, or more frequently as appropriate, and recommending to our Board appropriate changes in light of applicable laws and regulations, the governance standards identified by leading governance authorities, and our company’s evolving needs.

We have a Code of Business Conduct and Ethics that applies to our directors and executive officers. In addition, our Board of Directors adopted the Senior Officer Code of Business Conduct and Ethics, which is applicable exclusively to our senior management team. These codes are designed to deter wrongdoing, to promote the honest and ethical conduct of all employees and to promote compliance with applicable governmental laws, rules and regulations, as well as to provide clear channels for reporting concerns. The Senior Officer Code of Business Conduct and Ethics constitutes a “code of ethics” as defined in Item 406(b) of Regulation S-K. We intend to satisfy the disclosure requirements under applicable SEC rules relating to amendments to the Senior Officer Code of Business Conduct and Ethics or waivers from any provision thereof applicable to our principal executive officer, our principal financial officer and principal accounting officer by posting such information on our website pursuant to SEC rules.

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The Guidelines, our Code of Business Conduct and Ethics, and our Senior Officer Code of Business Conduct and Ethics are available on our website at [www.xpo.com](http://www.xpo.com). In addition, you may obtain a printed copy of these documents, without charge, by sending a request to: Investor Relations, XPO Logistics, Inc., Five Greenwich Office Park, Greenwich, Connecticut 06831.

### **Director Independence**

Under the Guidelines, our Board of Directors is responsible to make independence determinations annually with the assistance of the Nominating and Corporate Governance Committee. Such independence determinations are made by reference to the independence standard under the Guidelines and the definition of “independent director” under Section 303A.02 of the NYSE Listed Company Manual. Our Board of Directors has affirmatively determined that Ms. Ashe and each person who served as a director during any part of 2015, except Mr. Jacobs, our Chairman of the Board and Chief Executive Officer, and Mr. DeJoy, satisfies the independence standards under the Guidelines and the NYSE Listed Company Manual.

In addition to the independence standards provided in the Guidelines, our Board of Directors has determined that each director who serves on our Audit Committee satisfies standards established by the SEC providing that, in order to qualify as “independent” for the purposes of membership on that committee, members of audit committees may not (1) accept directly or indirectly any consulting, advisory or other compensatory fee from our company other than their director compensation or (2) be an affiliated person of our company or any of its subsidiaries. Our Board of Directors has also determined that each member of the Compensation Committee satisfies the NYSE standards for independence of Compensation Committee members, which became effective on July 1, 2013. Additionally, our Board of Directors has determined that each member of the Nominating and Corporate Governance Committee satisfies the NYSE standards for independence. In making the independence determinations for each director, our Board of Directors and the Nominating and Corporate Governance Committee analyzed certain relationships of the directors that were not required to be disclosed pursuant to Item 404(a) of Regulation S-K. For Mr. Andersen, those relationships included ordinary course commercial transactions between our company and an entity for which Mr. Andersen is a director. For Mr. Martell, in addition to the relationship disclosed under “Certain Relationships and Related Party Transactions” on page 20, those relationships included (i) ordinary course commercial transactions between the company and entities in which Mr. Martell is either the chairman of the board or a director and (ii) from time to time, our company stores and delivers food for a charity associated with Mr. Martell. For Dr. Papastavrou, those relationships included ordinary course commercial transactions between our company and an entity for which Dr. Papastavrou is a director. For Mr. Shaffer, those relationships included ordinary course commercial transactions between our company and an entity for which Mr. Shaffer is a director.

### **Director Selection Process**

As provided in its charter, the Nominating and Corporate Governance Committee is responsible for recommending to our Board of Directors all nominees for election to the Board, including nominees for re-election to the Board, in each case after consultation with the Chairman of the Board and in accordance with our company’s contractual obligations. Pursuant to the Investment Agreement, JPE has had and may in the future have the contractual right based on its securities ownership, as described above under “Directors,” to designate for nomination by our Board of Directors a certain percentage of the members of our Board of Directors. Subject to the foregoing, in considering new nominees for election to our Board, the Nominating and Corporate Governance Committee considers, among other things, breadth of experience, financial expertise, wisdom, integrity, an ability to make independent analytical inquiries, an understanding of our company’s business environment, knowledge and experience in such areas as technology and marketing, and other disciplines relevant to our company’s businesses, the nominee’s ownership interest in our company, and a willingness and ability to devote adequate time to Board duties, all in the context of the needs of the Board at that point in time and with the objective of ensuring diversity in the background, experience, and viewpoints of Board members. When searching for new directors, the Board endeavors to actively seek out highly qualified women and individuals from minority groups to include in the pool from which Board nominees are chosen.

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Subject to the contractual rights granted to JPE pursuant to the Investment Agreement, the Nominating and Corporate Governance Committee may identify potential nominees for election to our Board of Directors from a variety of sources, including recommendations from current directors or management, recommendations from our stockholders or any other source the committee deems appropriate.

Our Board of Directors will consider nominees submitted by our stockholders subject to the same factors that are brought to bear when it considers nominees referred by other sources. Our stockholders can nominate candidates for election as directors by following the procedures set forth in our bylaws, which are summarized below. We did not receive any director nominees from our stockholders for the 2016 annual meeting.

Our bylaws require that a stockholder who wishes to nominate an individual for election as a director at our annual meeting must give us advance written notice. The notice must be delivered to or mailed and received by the Secretary of our company not less than 90 days or more than 180 days prior to the earlier of the date of the annual meeting and the first anniversary of the preceding year's annual meeting. As more specifically provided in our bylaws, any nomination must include (i) the nominator's name and address and the number of shares of each class of our capital stock that the nominator owns, (ii) the name and address of any person with whom the nominator is acting in concert and the number of shares of each class of our capital stock that any such person owns, (iii) the information with respect to each such proposed director nominee that would be required to be provided in a proxy statement prepared in accordance with applicable SEC rules and (iv) the consent of the proposed candidate to serve as a member of our Board.

Any stockholder who wishes to nominate a potential director candidate must follow the specific requirements set forth in our bylaws, a copy of which may be obtained by sending a request to: Secretary, XPO Logistics, Inc., Five Greenwich Office Park, Greenwich, Connecticut 06831.

### **Stockholder Communication with the Board**

Stockholders and parties interested in communicating with our Board of Directors, any Board committee, any individual director or any group of directors (such as our independent directors) should send written correspondence to: Board of Directors c/o Secretary, XPO Logistics, Inc., Five Greenwich Office Park, Greenwich, Connecticut 06831. Please note that we will not forward communications that are spam, junk mail and mass mailings, resumes and other forms of job inquiries, surveys, business solicitations or advertisements.

### **Stockholder Proposals for Next Year's Annual Meeting**

Stockholder proposals intended to be presented at our 2017 annual meeting of stockholders must be received by our Secretary not later than December 2, 2016, to be considered for inclusion in our proxy materials, pursuant to Rule 14a-8 under the Exchange Act.

As more specifically provided in our bylaws, no business may be brought before an annual meeting of our stockholders unless it is specified in the notice of the annual meeting or is otherwise brought before the annual meeting by or at the direction of our Board of Directors or by a stockholder entitled to vote who has delivered proper notice to us not less than 90 days or more than 180 days prior to the earlier of the date of the annual meeting and the first anniversary of the preceding year's annual meeting. Accordingly, assuming that our 2017 annual meeting of stockholders is held on or after May 11, 2017, any stockholder proposal to be considered at the 2017 annual meeting, including nominations of persons for election to our Board of Directors, must be properly submitted to us not earlier than November 12, 2016 nor later than February 10, 2017.

Detailed information for submitting stockholder proposals or nominations of director candidates will be provided upon written request to: Secretary, XPO Logistics, Inc., Five Greenwich Office Park, Greenwich, Connecticut 06831.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Under its written charter, the Audit Committee of our Board of Directors is responsible to review and approve or ratify any transaction between our company and a related person (as defined in Item 404 of Regulation S-K) that is required to be disclosed under the rules and regulations of the SEC. Our management is responsible for bringing any such transaction to the attention of the Audit Committee. In approving or rejecting any such transaction, the Audit Committee considers the relevant facts and circumstances, including the material terms of the transaction, risks, benefits, costs, availability of other comparable services or products and, if applicable, the impact on a director's independence.

Since January 1, 2015, we have not been a participant in any transaction or series of similar transactions in which the amount exceeded or will exceed \$120,000 and in which any current director, executive officer, holder of more than five percent of our capital stock, or any member of the immediate family of the foregoing, had or will have a material interest, except for the transactions described below or as previously disclosed.

During the year ended December 31, 2015, the company provided certain air charter schedule recovery services to Ameriflight, LLC ("Ameriflight"), a regional air cargo carrier. James J. Martell, a member of our Board of Directors, owns and serves as the executive chairman of Ameriflight. The company provides its services to Ameriflight on a transactional basis without a written contract. The company received payments from Ameriflight or its affiliates in an amount of approximately \$850,000 for the year ended December 31, 2015. Pursuant to the company's policies and procedures described above, the Audit Committee reviewed and ratified the transactions between XPO Air Charter and Ameriflight, concluding that the transactions are in the best interests of the company and our stockholders and do not impair Mr. Martell's independence as a director.

During the year ended December 31, 2015, the company leased office space from two entities partially owned and controlled by Louis DeJoy, a member of our Board of Directors. In September 2014, in conjunction with the company's acquisition of New Breed Holding Company, XPO Logistics, through certain of our subsidiaries, entered into four commercial lease agreements covering a total of approximately 142,991 square feet of office space located in High Point, N.C., with the entities affiliated with Mr. DeJoy. The non-cancellable lease agreements expire at various dates in 2019. Each lease agreement provides the company, as tenant, with two five-year option periods to extend the lease term. The company made rent payments associated with these lease agreements in an aggregate amount of \$1.9 million for the year ended December 31, 2015. In addition, the company paid operating expenses in connection with these leased properties of \$0.2 million for the year ended December 31, 2015.



**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information concerning the beneficial ownership of our voting securities as of the Record Date by (i) each person who is known by us, based solely on a review of public filings, to be the beneficial owner of more than 5% of any class of our outstanding voting securities, (ii) each director, (iii) each named executive officer and (iv) all executive officers and directors as a group. None of the foregoing persons beneficially owned any shares of equity securities of our subsidiaries as of the Record Date.

Under applicable SEC rules, a person is deemed to be the “beneficial owner” of a voting security if such person has (or shares) either investment power or voting power over such security or has (or shares) the right to acquire such security within 60 days by any of a number of means, including upon the exercise of options or warrants or the conversion of convertible securities. A beneficial owner’s percentage ownership is determined by assuming that options, warrants and convertible securities that are held by the beneficial owner, but not those held by any other person, and which are exercisable or convertible within 60 days, have been exercised or converted.

Unless otherwise indicated, we believe that all persons named in the table below have sole voting and investment power with respect to all voting securities shown as being owned by them. Unless otherwise indicated, the address of each beneficial owner in the table below is care of XPO Logistics, Inc., Five Greenwich Office Park, Greenwich, Connecticut 06831.

<u>Name of Beneficial Owner</u>	<u>Shares of Common Stock Beneficially Owned</u>	<u>Percentage of Class Outstanding(1)</u>	<u>Shares of Series A Preferred Stock Beneficially Owned(2)</u>	<u>Percentage of Class Outstanding</u>
<b>Beneficial Ownership of 5% or more</b>				
Jacobs Private Equity, LLC	19,285,714(3)	15.0%	67,500	92.6%
Orbis Investment Management Limited(4) Orbis House, 25 Front Street Hamilton Bermuda HM11	16,404,627	15.0%	—	—
Public Sector Pension Investment Board(5) 1250 René-Lévesque Blvd. West, Suite 900, Montreal, QC H3B 4W8	13,637,746	12.4%	—	—
Coral Blue Investment Pte. Ltd(6) 168 Robinson Road #37-01, Capital Tower, Singapore 068912	11,487,278	10.5%	—	—
Ontario Teachers’ Pension Plan Board(7) 5650 Yonge Street, 3rd Floor Toronto, ON M2M 4H5	7,706,021	7.0%	—	—
The Vanguard Group(8) 100 Vanguard Blvd. Malvern, PA 19355	6,504,076	5.9%	—	—
Spruce House Investment Management LLC(9) 435 Hudson Street, 8th Floor New York, NY 10014	6,047,055	5.5%	—	—
Wellington Management Group LLP(10) 280 Congress Street Boston, MA 02210	5,612,844	5.1%	—	—

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<u>Name of Beneficial Owner</u>	<u>Shares of Common Stock Beneficially Owned</u>	<u>Percentage of Class Outstanding(1)</u>	<u>Shares of Series A Preferred Stock Beneficially Owned(2)</u>	<u>Percentage of Class Outstanding</u>
<b>Directors:</b>				
G. Chris Andersen	107,184(11)	*	250	*
Gena L. Ashe	—	*	—	—
Louis DeJoy	1,112,573(12)	1.0%	—	—
Michael G. Jesselson	335,222(13)	*	725(14)	1.0%
Adrian P. Kingshott	121,471(15)	*	300	*
James J. Martell	366,539(16)	*	725	1.0%
Jason D. Papastavrou	230,346(17)	*	650(18)	*
Oren G. Shaffer	54,257(19)	*	—	—
<b>Named Executive Officers:</b>				
Bradley S. Jacobs+(20)	19,590,730	15.2%	67,500	92.6%
Troy A. Cooper	111,939(21)	*	—	—
John J. Hardig	106,963(22)	*	—	—
Gordon E. Devens	130,000(23)	*	—	—
Scott B. Malat	78,087(24)	*	—	—
<b>Current Executive Officers and Directors as a Group</b>				
(14 People)	22,507,337(25)	17.2%	70,150	96.3%

\* Less than 1%

+ Director and Executive Officer

- (1) For purposes of this column, the number of shares of the class outstanding reflects the sum of (i) 109,735,647 shares of our common stock that were outstanding as of the Record Date, (ii) the number of shares of our common stock into which the outstanding shares of our preferred stock held by the relevant person, if any, were convertible on the Record Date, and (iii) the number of shares of our common stock, if any, which the relevant person could acquire on exercise of options or warrants within 60 days of the Record Date.
- (2) Each share of our Series A Preferred Stock that was outstanding on the Record Date has an initial liquidation preference of \$1,000 per share and is convertible into approximately 143 shares of our common stock at an effective conversion price of \$7.00 per share of our common stock. Our Series A Preferred Stock votes together as a single class with our common stock on an as-converted basis, except with respect to certain matters that impact the rights of holders of our Series A Preferred Stock, in which case our Series A Preferred Stock votes separately as a single class.
- (3) Consists of 9,642,857 shares of our common stock issuable upon the exercise of 9,642,857 warrants at an exercise price of \$7.00 per share of common stock, and 9,642,857 shares of our common stock issuable upon conversion of 67,500 shares of our Series A Preferred Stock.
- (4) Based on the Schedule 13G, filed February 16, 2016, filed by Orbis Investment Management Limited (“OIML”), Orbis Investment Management (U.S.), LLC (“OIMUS”) and Orbis Asset Management Limited (“OAML”), which reported that, as of December 31, 2015, OIML beneficially owned 15,914,012 shares, OIMUS beneficially owned 411,455 shares, and OAML beneficially owned 79,160 shares. The group has sole voting and sole dispositive power over such shares.
- (5) Based on the Schedule 13G/A, filed February 12, 2016, filed by Public Sector Pension Investment Board, which reported that, as of December 31, 2015, Public Sector Pension Investment Board beneficially owned 13,637,746 shares with sole voting and sole dispositive power over such shares.

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- (6) Based on the Schedule 13G/A, filed February 9, 2016, filed by Coral Blue Investment Pte. Ltd. and GIC Private Limited, which reported that, as of December 31, 2015, Coral Blue Investment Pte. Ltd. beneficially owned 11,487,278 shares of common stock and shares voting and dispositive power over such shares of common stock with GIC Private Limited.
- (7) Based on the Schedule 13G, filed February 11, 2016, filed by Ontario Teachers' Pension Plan Board, which reported that, as of December 31, 2015, Ontario Teachers' Pension Plan Board beneficially owned 7,706,021 shares with sole voting and sole dispositive power over such shares.
- (8) Based on the Schedule 13G, filed February 11, 2016, filed by The Vanguard Group, which reported that, as of December 31, 2015, The Vanguard Group beneficially owned 6,504,076 shares with sole voting power over 155,228 shares, shared voting power over 4,300 shares, sole dispositive power over 6,350,548 shares and shared dispositive power over 153,528 shares.
- (9) Based on the Schedule 13G/A, filed February 16, 2016, filed by Spruce House Investment Management LLC, Spruce House Capital LLC, The Spruce House Partnership LP, Zachary Sternberg, and Benjamin Stein, which reported that, as of December 31, 2015, Spruce House Investment Management LLC beneficially owned 6,000,000 shares, Spruce House Capital LLC beneficially owned 6,000,000 shares, The Spruce House Partnership LP beneficially owned 6,000,000 shares, Zachary Sternberg beneficially owned 6,045,000 shares and Benjamin Stein beneficially owned 6,047,055 shares. Benjamin Stein has sole voting power over 47,055 shares, shared voting power over 6,000,000 shares, sole dispositive power over 47,055 shares and shared dispositive power over 6,000,000 shares.
- (10) Based on the Schedule 13G, filed February 11, 2016, filed by Wellington Management Group LLP, Wellington Group Holdings LLP, and Wellington Investment Advisors Holdings LLP, which reported that, as of December 31, 2015, the group beneficially owned 5,612,844 shares with shared voting power over 4,477,940 shares and shared dispositive power over 5,612,844 shares.
- (11) Includes (i) 35,713 shares of our common stock issuable upon the exercise of 35,713 warrants at an exercise price of \$7.00 per share of common stock, (ii) 35,714 shares of our common stock issuable upon conversion of 250 shares of our Series A Preferred Stock, (iii) 24,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date and (iv) 6,757 Restricted Stock Units ("RSUs") that are or will become vested within 60 days of the Record Date.
- (12) Includes (i) 192,086 shares of our common stock beneficially owned by The Louis DeJoy Family Partnership, LLC, of which Mr. DeJoy is the managing member, and (ii) 484,340 shares of our common stock owned by the Louis DeJoy and Aldona Z. Wos Family Foundation, of which Mr. DeJoy is the president.
- (13) Includes (i) 12,000 shares of our common stock beneficially owned by the Michael G. Jesselson and Linda Jesselson 3/12/84 Trust, of which Mr. Jesselson is a trustee, (ii) 12,000 shares of our common stock beneficially owned by the Michael G. Jesselson and Linda Jesselson 11/26/85 Trust, of which Mr. Jesselson is a trustee, (iii) 12,000 shares of our common stock beneficially owned by the Michael G. Jesselson and Linda Jesselson 3/31/87 Trust, of which Mr. Jesselson is a trustee, (iv) 10,000 shares of our common stock beneficially owned by the Michael G. Jesselson and Linda Jesselson 6/30/93 Trust, of which Mr. Jesselson is a trustee, (v) 10,000 shares of our common stock owned by Mr. Jesselson's spouse, (vi) 103,572 shares of our common stock issuable upon the exercise of 103,572 warrants at an exercise price of \$7.00 per share of our common stock, which warrants are beneficially owned by the Michael G. Jesselson 12/18/80 Trust and the Michael G. Jesselson 4/8/71 Trust, of which trusts Mr. Jesselson is the beneficiary, (vii) 21,322 shares of our common stock issuable upon the exercise of 21,322 warrants at an exercise price of \$7.00 per share of our common stock, which warrants are beneficially owned by the Michael G. Jesselson and Linda Jesselson, Trustees UID 6/30/93 FBO Maya Ariel Ruth Jesselson, of which Mr. Jesselson is the beneficiary, (viii) 103,570 shares of our common stock issuable upon conversion of 725 shares of our Series A Preferred Stock, which shares of our Series A Preferred Stock are beneficially owned by the Michael G. Jesselson 12/18/80 Trust and the Michael G. Jesselson 4/8/71 Trust, of which trusts Mr. Jesselson is the beneficiary, and (ix) 24,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date.
- (14) See clause (viii) of footnote (13).

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- (15) Includes (i) 42,857 shares of our common stock issuable upon the exercise of 42,857 warrants at an exercise price of \$7.00 per share of our common stock, (ii) 42,857 shares of our common stock issuable upon conversion of 300 shares of our Series A Preferred Stock, (iii) 24,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable on within 60 days of the Record Date, and (iv) 4,257 RSUs that are or will become vested within 60 days of the Record Date.
- (16) Includes (i) 103,572 shares of our common stock issuable upon the exercise of 103,572 warrants at an exercise price of \$7.00 per share of our common stock, (ii) 103,571 shares of our common stock issuable upon conversion of 725 shares of our Series A Preferred Stock, (iii) 49,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date and (iv) 5,000 RSUs that are or will become vested within 60 days of the Record Date.
- (17) Includes (i) 1,375 shares of our common stock beneficially owned by the Brett A. Athans Declaration of Trust, of which Dr. Papastavrou is the trustee, (ii) 92,857 shares of our common stock issuable upon the exercise of 92,857 warrants at an exercise price of \$7.00 per share of our common stock, which warrants are beneficially owned by Springer Wealth Management LLC, of which Dr. Papastavrou is the owner of 100% of the equity securities, (iii) 92,857 shares of our common stock issuable upon conversion of 650 shares of our Series A Preferred Stock, which shares of Series A Preferred Stock are beneficially owned by Springer Wealth Management LLC, of which Dr. Papastavrou is the owner of 100% of the equity securities, (iv) 24,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date and (v) 9,257 RSUs that are or will become vested within 60 days of the Record Date.
- (18) See clause (iii) of footnote (17).
- (19) Includes (i) 8,500 shares of our common stock issuable upon the exercise of 8,500 warrants at an exercise price of \$7.00 per share of common stock, (ii) 24,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date and (iii) 9,257 RSUs that are or will become vested within 60 days of the Record Date.
- (20) Mr. Jacobs has indirect beneficial ownership of the shares of our common stock and our Series A Preferred Stock beneficially owned by JPE as a result of being its Managing Member. See footnote (3). Also includes 200,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date.
- (21) Includes (i) 10,000 shares of common stock issuable upon the exercise of 10,000 warrants at an exercise price of \$7.00 per share of common stock and (ii) 20,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date.
- (22) Includes 40,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date.
- (23) Includes (i) 20,000 shares of our common stock issuable upon the exercise of 20,000 warrants at an exercise price of \$7.00 per share of common stock and (ii) 100,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date.
- (24) Includes (i) 12,750 shares of our common stock issuable upon the exercise of 12,750 warrants at an exercise price of \$7.00 per share of common stock, and (ii) 20,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date
- (25) Includes (i) 10,094,000 shares of our common stock issuable upon the exercise of 10,094,000 warrants at an exercise price of \$7.00 per share of our common stock, (ii) 10,021,429 shares of our common stock issuable upon conversion of 70,150 shares of our preferred stock, (iii) 657,000 shares of our common stock issuable upon the exercise of options that are or will become exercisable within 60 days of the Record Date, and (iv) 43,042 vested RSUs that are or will become exercisable within 60 days of the Record Date.

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### Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes XPO's executive compensation program for 2015. The Compensation Committee of our Board (referred to as the "Committee" in this section) oversees our executive compensation program and practices. In this section, we explain how and why the Committee made its 2015 compensation decisions for the following named executive officers, or NEOs:

<u>NEO</u>	<u>Title</u>
Bradley S. Jacobs	Chairman and Chief Executive Officer
Troy A. Cooper	Chief Operating Officer
John J. Hardig	Chief Financial Officer
Gordon E. Devens	Chief Legal Officer
Scott B. Malat	Chief Strategy Officer

### Executive Summary

#### 2015: A Transformative Year

In 2015, our executive team successfully executed our growth strategy and transformed our company into a global transportation and logistics company that provides comprehensive supply chain solutions to more than 50,000 customers. We believe that our ability to provide customers with end-to-end supply chain solutions gives us a competitive advantage. We offer these solutions through our highly-integrated organization that, as of December 31, 2015, encompassed over 89,000 employees and approximately 1,451 locations in 33 countries, primarily in North America and Europe.

#### *Successful Execution of Our Growth Strategy in 2015*

Through our \$3.5 billion acquisition of a majority interest in Norbert Dentressangle SA, we achieved global scale with a concentration of truckload, less-than-truckload, logistics and freight brokerage services in Europe. Through our \$3.0 billion acquisition of Con-way Inc., we added less-than-truckload and full truckload service offerings in North America and grew our freight brokerage, logistics and global forwarding service offerings. In addition, our executive team successfully completed two other acquisitions in 2015, which expanded our last mile logistics and drayage businesses.

#### *Financial Performance*

We increased our annual revenue run rate to \$15 billion as of December 31, 2015, pro forma for full-year contributions from our acquisitions. Furthermore, we exceeded our \$625 million year-end target run rate for adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") three months early, before we completed the Con-way acquisition.

#### *Well-positioned for the Future*

We offer customers a compelling range of transportation and logistics solutions as:

- The second largest freight brokerage firm worldwide based on net revenue;
- The third largest provider of intermodal rail services in North America, with one of the largest U.S. drayage networks, and a leader in cross-border Mexico intermodal;
- The largest provider of home delivery and installation logistics for heavy goods in North America, and a leading last mile provider to the e-commerce industry;
- The second largest global provider of contract logistics based on square footage, with one of the largest e-fulfillment platforms in Europe;
- The largest manager of time-critical and high-value expedite shipments in North America via ground transportation, air charter and web-based managed transportation services;
- The second largest provider of less-than-truckload ("LTL") services in North America and a leading provider of LTL services in Western Europe;
- A top 25 U.S. truckload carrier and a leading cross-border Mexico ground transportation provider;
- A top five global provider of managed transportation based on the value of XPO's freight under management; and
- A growing provider of global forwarding services.

**Our Compensation Philosophy**

Our executive compensation philosophy is to align the interests of our executive team with the interests of our stockholders and to ensure that the total compensation paid to our executive officers is reasonable and competitive.

**Key Objectives of Our Executive Compensation Program**

Align executive compensation with long-term stockholder value

Strongly correlate pay and performance

Attract, retain and motivate high-performing executive talent

We use varied compensation elements to align the financial interests and objectives of our NEOs with those of our stockholders and to sustain our unified focus on the execution of our strategy, which we believe will create long-term stockholder value.

Our executive compensation program is designed to strongly correlate the performance of our NEOs and the compensation they receive.

We operate in a highly competitive market for executive talent; as such, we believe it is essential to attract, retain and motivate a high-performing executive team with market competitive pay opportunities that deliver the majority of pay in at-risk elements.

**How We Meet These Objectives**

Weight executive compensation heavily towards variable pay

Subject executive compensation to meaningful performance goals and holding conditions

Our executive compensation program is heavily weighted towards variable compensation, including equity-based incentives (such as performance-based restricted stock units) and annual cash incentives.

Substantially all of the equity-based awards granted to our NEOs following their hiring are subject to meaningful share price and/or earnings-related performance goals with service-based vesting periods.

Our NEOs are subject to significant stock ownership and retention requirements.

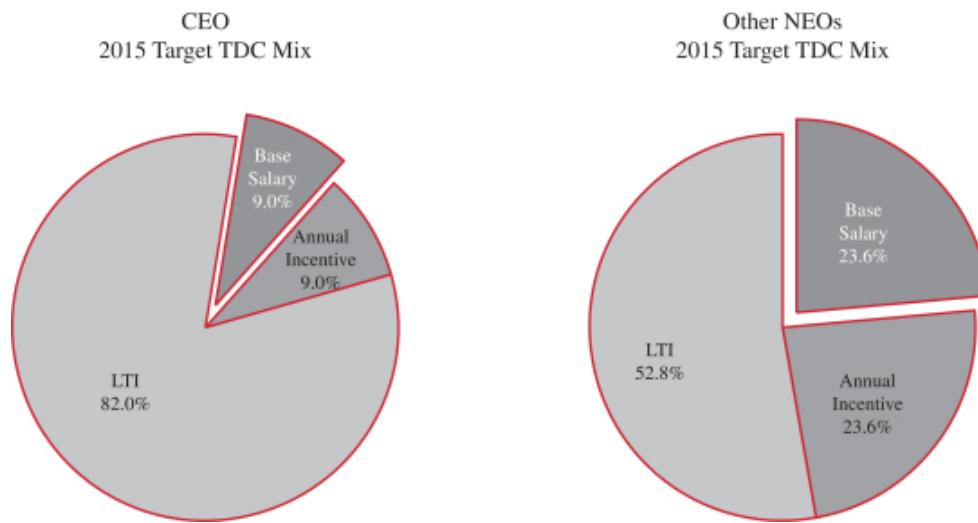
Our NEOs are subject to lock-up restrictions that generally prohibit the sale of any equity awarded by our company – in 2016, these lock-up restrictions were extended for an additional two years until September 2, 2018.

Our NEOs are subject to clawback restrictions with respect to equity and cash incentive compensation.

Our NEOs are subject to comprehensive and lengthy non-competition and other restrictive covenants.

### 2015 Executive Compensation Highlights

Because the Committee feels strongly that executive compensation should be tightly linked to both company and individual performance, the executive compensation for our NEOs is heavily weighted towards equity-based and variable cash incentive awards. At target, 91% of our CEO's 2015 total direct compensation ("TDC") is incentive-based, and 82% is based on the achievement of long-term performance goals. For our other NEOs, on average, 76% of their 2015 target total direct compensation is incentive-based and 53% is based on achievement of long-term performance goals. The Committee believes that this mix is appropriate to drive execution of our long-term strategy and to further align the interests of our NEOs with those of our stockholders.



Other highlights of our 2015 executive compensation include:

- The Committee held base salaries flat in 2015 for all NEOs;
- Our company's strong financial performance against our adjusted EBITDA performance goals and the Committee's assessment of both company and individual performance during a transformative year for the company led to above-target annual cash bonus payouts for the NEOs; and
- Each NEO received his entire long-term incentive award in the form of performance-based restricted stock units, the vesting of which requires meaningful growth in stock price and earnings per share.

### Compensation Governance Framework

To meet the key objectives of our executive compensation program and to mitigate risk from our compensation practices and principles, the company has adopted a compensation governance framework that includes the components described below, each of which the Committee believes reinforces the company's executive compensation philosophy and objectives.

- **Clawback policy:** Our NEOs and other executive officers are required to repay overpayments of annual and long-term cash incentive compensation awards in the event of fraud or in the event of a financial restatement occurring within one year following the award payment. Additionally, in order to enhance the long-term retentive value of the 2015 annual bonuses, the Committee made a significant portion of the 2015 cash bonuses subject to repayment if an NEO leaves our company for any reason (other than death) within two years immediately following the payment date, as discussed more fully below.

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- **Lock-up restrictions:** Our NEOs are subject to lock-up restrictions that generally prohibit the sale of any equity awarded by our company – in 2016, in connection with the renewal of our NEOs’ employment agreements, these lock-up restrictions were extended for an additional two years until September 2, 2018.
- **Stock ownership guidelines and stock retention requirements:** In 2016, our Board established stock ownership guidelines for our NEOs and other executive officers to further align the interests of our executives with those of our stockholders. The following guidelines for equity ownership are expressed as a multiple of each executive’s annual base salary:

<u>Executive Office</u>	<u>Stock Ownership Requirement (as a multiple of annual base salary)</u>
CEO	6
Other Executive Officers	3

To determine compliance with these guidelines, generally, common shares held directly or indirectly and unvested restricted stock units subject solely to time-based vesting count towards meeting the stock ownership guidelines. Stock options, whether vested or unvested, and equity-based awards subject to performance-based vesting conditions are not counted towards meeting the stock ownership guidelines. Until the guidelines are met, 70% of the net shares (after tax withholding) received upon vesting of equity-based awards are required to be retained by the executive officer. As of March 24, 2016, each of our NEOs was in compliance with these stock ownership guidelines.

- **No stock option repricing:** Our company’s equity incentive plan does not permit either stock option repricing without shareholder approval or stock option grants with an exercise price below fair market value.
- **No tax gross-ups:** Our company does not provide tax gross-ups on any benefits or perquisites, including severance payments and other benefits received in connection with, or following, a change in control.
- **Independent compensation consultant:** The Committee retains an independent compensation consultant who performs services only for the Committee, as discussed more fully below.
- **No hedging or pledging of company stock:** Under our insider trading policy, our company’s directors and executive officers, including the NEOs, are prohibited from pledging or holding company securities in a margin account without pre-clearance. In addition, such persons are prohibited from engaging in hedging transactions, such as prepaid variable forwards, equity swaps, collars and exchange funds or any other transactions that are designed to or have the effect of hedging or offsetting any decrease in the market value of equity securities.

### ***Result of Stockholder Advisory Vote***

We conducted our annual advisory vote on executive compensation at our 2015 Annual Meeting on May 19, 2015. While this vote was not binding on the company, our Board or the Committee, we believe that it is important for our stockholders to have an opportunity to vote on this proposal on an annual basis as a means to express their views on our executive compensation philosophy, our executive compensation program and policies, and our decisions regarding executive compensation, all as disclosed in our Proxy Statement.

At our 2015 Annual Meeting, approximately 96% of the votes cast on the advisory vote on executive compensation were in favor of our NEO compensation program as disclosed in our 2015 Proxy Statement. The Committee reviewed and considered the final results of the advisory vote as it completed its annual review of the executive compensation program, and did not make any changes to our executive compensation program in response to such vote.



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The company communicates directly and frequently with its stockholders about business strategy. In the course of such stockholder engagement, we often discuss our executive compensation and the further alignment of our executive team's interests with the interests of our stockholders.

### ***Process for Determining Executive Compensation***

The Committee believes that its emphasis on variable annual cash incentives and long-term equity-based awards allows it to retain significant flexibility and discretion from year to year in order to strongly motivate our NEOs. Specifically, the total compensation package for each of our NEOs reflects assessments of individual responsibilities, contributions to corporate performance and overall company success in reaching strategic goals. The general framework for our compensation packages includes fixed base salaries and variable incentive compensation consisting of annual cash incentives and equity grants that emphasize pay for performance and, in the case of equity-based grants, achievement of long-term performance goals. The Committee has tended to heavily weight our NEOs' compensation towards variable incentive compensation rather than base salary.

#### *Role of the Compensation Committee*

The Committee is responsible for approving our compensation philosophy and overseeing our executive compensation program in a manner consistent with such compensation philosophy. The Committee is tasked with setting annual and long-term performance goals for our NEOs, evaluating and approving award grants under incentive compensation and equity-based plans, and reviewing and approving all other compensation and benefits for our NEOs on an ongoing basis. The Committee acts independently but works closely with our full Board and executive management in making many of its decisions. To assist it in discharging its responsibilities, the Committee has retained the services of Semler Brossy Consulting Group, LLC ("Semler Brossy"), as discussed further below.

#### *Role of Management*

Executive management provides input to the Committee as it establishes, reviews and evaluates executive compensation packages and policies, including with respect to the design of our executive compensation program. In particular, our CEO, Mr. Jacobs, provides recommendations as to proposed compensation actions with respect to our executive team, but not with respect to his own compensation. However, the Committee carefully and independently reviews the recommendations of management, without members of management present, and consults with independent advisors before making its final determinations. We believe this process ensures that our executive compensation program effectively aligns with our compensation philosophy and our stockholders' interests.

#### *Role of Independent Compensation Consultant*

The Committee directly retained Semler Brossy as its independent advisor. During 2015, Semler Brossy supported the Committee in: reviewing the reasonableness of the 2015 compensation packages and long-term incentive grants for the NEOs and our other senior officers; reviewing this Compensation Discussion and Analysis and the related tables and narratives; structuring the 2015 and 2016 performance-based equity-based awards to executives; evaluating our non-employee director compensation program; assessing the risks associated with the company's overall compensation policies and practices; monitoring trends and evolving market practices in executive compensation; and providing general advice and support to the Committee and Committee Chair. Semler Brossy does not provide any other services to the Committee or the company.

As part of the annual performance evaluation of its independent compensation consultant, the Committee considered Semler Brossy's independence in light of applicable SEC rules and NYSE listing standards. After taking into account Semler Brossy's (i) absence of relationships with management and the members of the Committee; (ii) internal policies; and (iii) other information provided to the Committee by Semler Brossy, the Committee determined that Semler Brossy's work did not raise any conflicts of interest that would prevent it from serving as an independent compensation consultant to the Committee.

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### *Comparative Analysis*

The Committee, with input from its independent compensation consultant, reviews and approves the peer group used in evaluating executive compensation to ensure that the peer group continues to reflect certain characteristics comparable to the company. These peer group characteristics include being in the transportation and logistics industries and having annual revenue of at least \$1 billion. The peers comprising the 2015 peer group represent most of our publicly traded competitors and, in the Committee's view, were reasonable given the size of XPO prior to the acquisitions of Norbert Dentressangle SA and Con-way Inc.

While we monitor the structure of our peers' pay programs, the Committee does not target a specific percentile positioning against the peer group. Also, the Committee does not target a specific mix between cash and equity or short-term and long-term compensation. The peer group for 2015 consisted of the following logistics and distribution or trucking companies:

### **Peer Group for 2015 Executive Compensation Decisions**

<b>Peer Name</b>	<b>Ticker Symbol</b>	<b>2015 Annual Revenue (\$ in millions)</b>
ArcBest Corporation	ARCB	\$ 2,667
C.H. Robinson Worldwide, Inc.	CHRW	\$ 13,476
Con-way Inc.	CNW	*
Expeditors International of Washington, Inc.	EXPD	\$ 6,617
Hub Group, Inc.	HUBG	\$ 3,526
J.B. Hunt Transport Services, Inc.	JBHT	\$ 6,188
Landstar Systems, Inc.	LSTR	\$ 3,321
Old Dominion Freight Line, Inc.	ODFL	\$ 2,972
Park-Ohio Holdings Corp.	PKOH	\$ 1,464
Roadrunner Transportation Systems, Inc.	RRTS	\$ 1,995
Ryder System, Inc.	R	\$ 6,572
Swift Transportation Co.	SWFT	\$ 4,229
Universal Truckload Services, Inc.	UACL	\$ 1,129
UTi Worldwide, Inc.	UTIW	\$ 4,180
YRC Worldwide, Inc.	YRCW	\$ 4,832
<b>XPO Logistics, Inc. (as reported)</b>	<b>XPO</b>	
<b>FY 2015</b>		<b>\$ 7,623</b>
<i>Percent Rank</i>		93P
<b>FY 2014</b>		<b>\$ 2,357</b>
<i>Percent Rank</i>		20P

\* Con-way Inc. was acquired by our company on October 30, 2015.

For 2016, based on the advice of Semler Brossy, the Committee has decided to remove five companies from the peer group (ArcBest Corporation, Old Dominion Freight Line, Inc., Universal Truckload Services, Inc., Park-Ohio Holdings Corp., and Roadrunner Transportation Systems, Inc.). This action was undertaken in order to avoid overweighting smaller companies, given XPO's significant increase in scale during 2015. The Committee removed Con-way Inc. from the peer group following its acquisition by the company on October 30, 2015.

## Principal Elements of our Executive Compensation Program

Our executive compensation program consists of three primary elements: annual base salary, annual cash incentive bonuses and, in certain years, long-term incentive compensation awards. Each of these elements is discussed in further detail below.

### *Annual Base Salary*

The Committee did not increase the annual base salaries of our NEOs for 2015. Base salaries provide our NEOs with fixed cash compensation for service during the year, with consideration given to the scope of each NEO's responsibilities, experience and other qualifications essential to his role. Each NEO's annual base salary was initially set in accordance with his employment agreement entered into at the time of initial hire. In light of the Committee's relative emphasis on variable incentive compensation rather than fixed base salary, our NEOs' base salaries were not increased from their hire dates through 2015, except in the case of promotion and change of job responsibilities.

Accordingly, annual base salary rates as of December 31, 2015 were as follows:

	<u>NEO</u>	<u>2015 Annual Base Salary</u>
Bradley S. Jacobs		\$ 495,000
Troy A. Cooper		\$ 350,000
John J. Hardig		\$ 395,000
Gordon E. Devens		\$ 300,000
Scott B. Malat		\$ 300,000

### *Annual Cash Incentive Bonuses*

Our company's strong financial performance in 2015 against our adjusted EBITDA target, and the Committee's assessment of both company and individual performance during a transformative year for the company, led to above-target annual cash bonus payouts for the NEOs. Our annual cash incentive bonus program is designed to motivate our NEOs to meet and exceed our annual operating and financial goals. The Committee approves the specific performance goals for our NEOs and determines and certifies achievement against these goals. The performance goals are structured to be challenging to meet.

Pursuant to the terms of their employment agreements, Messrs. Hardig, Cooper and Malat were eligible to receive an annual cash incentive bonus with a target award of 100% of annual base salary, subject to the achievement of specified performance goals as determined by the Committee. For 2015, Mr. Devens was eligible to receive an annual cash incentive bonus with a target award of 40% to 100% of annual base salary, as determined by the Committee. Although Mr. Jacobs is eligible to receive a performance-based annual cash incentive award in an amount determined by the Committee in its discretion, Mr. Jacobs' award has typically been aligned with the annual awards to the other NEOs.

In March 2015, the Committee established for each NEO a target annual cash incentive award for 2015 (the "2015 Cash Incentive Awards") under the terms of our Amended and Restated 2011 Omnibus Incentive Compensation Plan (the "2011 Plan"), which was approved by our stockholders at the 2012 annual meeting of stockholders on May 31, 2012. The 2015 Cash Incentive Awards were designed with the goal that annual cash performance bonuses payable to our executive officers be tax-deductible pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

Pursuant to the terms of the 2015 Cash Incentive Awards, the Committee set a specific annual performance goal and established an objective formula for calculating the amount of the target awards for participants. The

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performance goal adopted by the Committee under the 2015 Cash Incentive Awards was defined as our company achieving an annual run rate of adjusted EBITDA<sup>1</sup> during the second half of 2015 of at least \$300 million. The Committee chose adjusted EBITDA as the performance metric because it is the financial performance metric for the company's publicly announced targets and adjusted EBITDA is a key metric towards measuring company profitability and cash generation.

The following table sets forth the target awards established by the Committee under the 2015 Cash Incentive Awards, expressed as a percentage of salary and as a dollar amount for each NEO:

<u>NEO</u>	<u>Target Award % of Salary</u>	<u>Target Award in dollars</u>
Bradley S. Jacobs	100%	\$ 495,000
Troy A. Cooper	100%	\$ 350,000
John J. Hardig	100%	\$ 395,000
Gordon E. Devens	100%	\$ 300,000
Scott B. Malat	100%	\$ 300,000

Under the terms of the 2015 Cash Incentive Awards, if the performance goal is satisfied, the Committee is responsible for determining the bonus award payable to a participant based on the achievement of individual or organizational goals, as determined by the Committee in its sole discretion. The Committee retains absolute "negative discretion" to eliminate or reduce the amount of any award under the 2015 Cash Incentive Awards. Further, the 2015 Cash Incentive Awards may be greater than the target award, subject to the individual maximum award limitation provided in the 2011 Plan. The Committee certified that the performance target under the 2015 Cash Incentive Awards was achieved based on our company's adjusted EBITDA annual run rate of \$870 million at fiscal year-end<sup>1</sup>, which exceeded the performance goal threshold of a \$300 million run rate.

The Committee, in consultation with our CEO (except with respect to his own performance assessment), conducted a performance assessment of each executive officer. The CEO's executive officer performance assessment recommendations were based on an overall subjective assessment of each officer's performance and contribution to our company's achievement of its strategic objectives. The Committee conducted a separate assessment of Mr. Jacobs' performance without his involvement.

The Committee considers company performance as well as each NEO's individual performance contributions. For 2015, the Committee determined that our company accomplished and exceeded its key financial and strategic objectives for the year, as outlined above in the "Executive Summary" section of this Compensation Discussion and Analysis section. Under the leadership and guidance of our NEOs, in 2015 we completed four significant acquisitions and continued to optimize our existing operations. In addition, our company significantly exceeded our publicly announced financial performance target for 2015.

Each of the NEOs was determined to have contributed significantly to the company's achievements during 2015. In determining 2015 cash bonus payouts for the NEOs, the Committee's goal was to recognize and reward the NEOs' performance, while also awarding cash bonus amounts that had the effect of relatively balancing total cash compensation across the group of NEOs, with consideration to each NEO's job responsibilities and position. Accordingly, differences in the award payouts to the NEOs, as compared to the target awards, do not reflect a determination by the Committee of the relative performance of any single NEO.

As a result of the above-described performance assessments, and taking into account the indicated total cash compensation payable to each NEO, the Committee approved the bonus payouts below to our NEOs for 2015. In order to enhance the long-term retentive value of the 2015 annual bonuses, the Committee made a significant

(1) This adjusted EBITDA run rate is calculated by multiplying our adjusted EBITDA as reported for the fourth quarter of 2015 by four. Adjusted EBITDA is a non-GAAP financial measure. Please see Annex A to this proxy statement for a reconciliation of this non-GAAP financial measure to the comparable GAAP measure.

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portion of the 2015 cash bonuses subject to repayment if an NEO leaves our company for any reason (other than death) within two years immediately following the payment date. In the case of a termination for Cause, the full amount of the Maximum Repayment Obligation specified below would be subject to repayment. In the case of a termination due to disability or resignation, whether with or without Good Reason (as defined in the employment agreements), a prorated amount of the Maximum Repayment Obligation (based on the number of days from the termination date until the two year anniversary of the payment date) would be subject to repayment by the NEO. In the case of a termination by the company without Cause, a prorated amount of the Maximum Repayment Obligation (based on the number of days from six months following the termination date until the two-year anniversary of the payment date) would be subject to repayment by the NEO.

<u>NEO</u>	<u>2015 Annual Bonus Payout</u>	<u>Maximum Repayment Obligation</u>
Bradley S. Jacobs	\$ 2,325,000	\$ 1,400,000
Troy A. Cooper	\$ 1,850,000	\$ 1,100,000
John J. Hardig	\$ 1,650,000	\$ 1,000,000
Gordon E. Devens	\$ 1,650,000	\$ 1,000,000
Scott B. Malat	\$ 1,650,000	\$ 1,000,000

In addition, in June 2015, each of Messrs. Hardig and Malat received a \$200,000 one-time discretionary cash incentive award in recognition of their contributions in connection with the company's successful closing of its acquisition of Norbert Dentressangle SA and the related financing transactions.

### *Long-Term Incentive Program*

The Committee designed our 2015 long-term equity incentive awards to align the interests of our executives with those of our stockholders through the use of stock-based awards that reward executives for increases in our stock price over time. These awards are also meant to focus executives on financial metrics that are complementary to the performance metric of adjusted EBITDA applicable to our annual cash incentive program. In addition to being subject to the achievement of long-term performance goals, equity awards made to our NEOs generally are subject to stock ownership and retention requirements and other holding requirements, all of which enhance the focus of our executive team on long-term shareholder value creation.

All equity-based awards granted in connection with the 2011 Plan are at the Committee's discretion and are granted in alignment with our executive compensation philosophy of aligning the interests of our NEOs with those of our stockholders. For 2015, the Committee determined that it would be advisable to make performance-based equity grants to our leadership team to maximize retention and incentivize a unified focus on execution of our long-term strategy. The committee granted performance-based restricted stock unit ("PRSU") awards to each of our NEOs as follows:

<u>NEO</u>	<u>2015 Targeted Award of PRSUs (dollar amount)(2)</u>	<u>2015 Targeted Award of PRSUs (number of shares)</u>
Bradley S. Jacobs	\$ 4,500,000	102,436
Troy A. Cooper	\$ 750,000	17,073
John J. Hardig	\$ 750,000	17,073
Gordon E. Devens	\$ 750,000	17,073
Scott B. Malat	\$ 750,000	17,073

(2) The amounts above are the targeted value of the PRSU awards. The values of stock awards shown in the "Summary Compensation" table and other required tables below reflect the grant date fair value determined in accordance with ASC 718.

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Based on the initial equity award agreements and subsequent amendments made in 2016, these PRSUs will vest if the following conditions occur: (i) the company's common stock trades at or above \$60.00 per share for 20 consecutive trading days prior to April 2, 2018, and the company's fiscal year 2017 adjusted cash earnings per share is at least \$2.75, or (ii) if such performance goals are not met, the company's common stock trades at or above \$86.00 per share for 20 consecutive trading days prior to September 2, 2020 and the company's fiscal year 2019 adjusted cash earnings per share is at least \$4.30. The targeted award values were determined with reference to each NEO's contributions to our company to date, his anticipated contribution to the achievement of our strategic objectives in the future, and prior equity-based awards granted to the NEO. No particular weighting was assigned to any of these considerations. For further discussion of the changes made in 2016, please see "Actions Since the End of Fiscal Year 2015" below.

The dollar values of the targeted awards are higher than the grant date fair value for accounting purposes due to the performance goals and resale restrictions. In granting the PRSUs, the Committee also determined that the structure of the grants, with achievement of the earnings-based performance goal not possible until after the end of 2017, provided an important retentive element and increased long-term focus for our NEOs.

### ***Actions Since the End of Fiscal Year 2015***

Effective February 9, 2016, we entered into employment agreements with each of the NEOs (the "2016 Employment Agreements"), which replace and supersede the prior employment agreements with our NEOs that were scheduled to expire on September 2, 2016 (the "Prior Agreements"). Given the original mid-year expiration of the terms of the Prior Agreements, and the resulting termination of the lock-up restrictions on the resale of the company's equity on September 2, 2016, the Committee felt that it was important to enter into the 2016 Employment Agreements in order to promote retention of the executive team and maintain their focus on integration of the significant acquisitions completed in 2015 and their alignment with the long-term interests of our stockholders. For a discussion of the material compensation-related terms of these agreements, please see "Employment Agreements with Named Executive Officers" on page 45 and the tables that follow this Compensation Discussion and Analysis.

The Committee feels that the 2016 Employment Agreements enhance the relationship between our NEOs' pay and performance in a number of ways, including:

- For all PRSUs granted to NEOs in 2014 and 2015, in order to ensure that the adjusted earnings per share performance goal continues to be meaningful, this performance goal was increased from \$2.50 to \$2.75; in addition, the Committee initially approved a decrease in the share price performance goal from \$60.00 to \$32.50; however, following a request by the NEOs, the Committee chose to reinstate the original share price goal of \$60.00 for 20 consecutive trading days prior to April 2, 2018 and to add an additional performance goal such that, in the event that either the 2018 share price goal of \$60.00 or the 2017 adjusted cash earnings per share goal of at least \$2.75 is not met, the PRSUs would be earned if both the company's common stock trades at or above \$86.00 per share for 20 consecutive trading days prior to September 2, 2020, and the company's fiscal year 2019 adjusted cash earnings per share is at least \$4.30;
- Following the significant acquisitions completed in 2015, the Committee assessed base pay levels and increased the annual base salaries of the NEOs to ensure that they remain market competitive as follows:

<u>NEO</u>	<u>2016 Annual Base Salary</u>
Bradley S. Jacobs	\$ 625,000
Troy A. Cooper	\$ 537,500
John J. Hardig	\$ 515,000
Gordon E. Devens	\$ 500,000
Scott B. Malat	\$ 500,000

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- In order to induce NEOs to enter into the 2016 Employment Agreements, NEOs were granted cash-settled PRSUs with performance goals based on adjusted cash flow per share (as defined in the award agreements) of \$2.93 for 2016, \$3.96 for 2017, \$5.38 for 2018, and \$6.39 for 2019 (subject to adjustment based on certain factors as may be determined by the Committee). The PRSU grants are intended to cover the four-year term of the 2016 Employment Agreements and vest in equal tranches on each of the first four anniversaries of the grant date, subject to the NEO's continued employment and to achievement of the applicable performance goals for each tranche. The total and annualized grant values for each of the NEOs are shown below. The Committee felt that the annualized grant values are appropriate based on a number of factors including market data, and that the awards provide a meaningful incentive for the NEOs to continue to successfully execute the company's long-term strategy and allow them to realize value from strong company financial performance, while ensuring that the NEOs hold these awards for that multi-year period:

<u>NEO</u>	<u>2016-2019 Total Target Award in dollars</u>	<u>Annualized Target Award in dollars</u>
Bradley S. Jacobs	\$ 20,000,000	\$ 5,000,000
Troy A. Cooper	\$ 4,500,000	\$ 1,125,000
John J. Hardig	\$ 4,000,000	\$ 1,000,000
Gordon E. Devens	\$ 4,000,000	\$ 1,000,000
Scott B. Malat	\$ 4,000,000	\$ 1,000,000

- For all PRSUs granted to NEOs in 2014 and 2015, upon the termination of employment of an NEO without Cause or by an NEO for good reason (as defined in the award agreements), no PRSUs would be earned unless the performance goals are achieved (prior to this modification, the PRSUs vested on a pro rata basis upon a termination of employment without Cause or for good reason, without regard to the satisfaction of the performance hurdles);
- The NEOs agreed to extend the lock-up of all shares acquired pursuant to compensatory equity grants for two years until September 2, 2018 (previously such shares were locked up until September 2, 2016);
- The NEOs agreed to reduce their severance benefits upon a termination without cause from one year of base salary (or two years in the case of Messrs. Jacobs and Hardig) to six months of base salary;
- The NEOs agreed to substantially broader, longer and stronger noncompetition and other restrictive covenants; and
- As discussed in greater detail in "Principal Elements of our Executive Compensation Program—Annual Cash Incentive Bonuses" on page 31, the NEOs agreed that, upon termination of employment for any reason (other than by reason of death), whether with or without Cause, during the two years immediately following the payment date, a substantial portion of the 2015 cash bonus (up to \$1,400,000 in the case of Mr. Jacobs, \$1,100,000 in the case of Mr. Cooper and \$1,000,000 in the case of each of Messrs. Hardig, Devens and Malat) must be reimbursed to the company.

### **Other Compensation-Related Items**

#### *Equity Granting Policy*

All equity grants to executive officers are approved by the Committee with a grant date determined at the time of the approval. The Committee does not target a specific time during the year to make equity grants, but equity grant dates are always on or after the date of Committee approval and in full compliance with applicable laws.

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### *Benefits*

Our NEOs are provided with benefits, including participation in the XPO Logistics, Inc. 401(k) Plan and insurance benefit programs that are offered to other eligible employees. In addition, our NEOs are entitled to reimbursement of ordinary business expenses. Other than the foregoing and the amounts set forth in the “All Other Compensation” table below, NEOs are not entitled to any additional perquisites.

### *Employment Agreements*

We believe that it is in the best interests of our company to enter into multi-year employment agreements with our executive officers because the agreements promote long-term retention while still allowing the Committee to exercise discretion in designing incentive compensation programs. For further discussion of the material compensation-related terms of these agreements, please see “Employment Agreements with Named Executive Officers” on page 45 and the tables that follow this Compensation Discussion and Analysis. In addition, each employment agreement has been filed with the SEC and is available on our website and on the SEC’s website.

With respect to employment terms applicable during 2015, we entered into an employment agreement with each of our NEOs at the time of his initial hire (which agreements, in the case of Messrs. Cooper and Devens, were amended and restated in March 2014). Each of those employment agreements had a term through September 2, 2016, except Mr. Cooper’s employment agreement, which had a term through March 14, 2018, and would expire at the end of the term without automatic renewal.

As discussed above under “Actions Since the End of Fiscal Year 2015”, effective on February 9, 2016, the company entered into the 2016 Employment Agreements with each of the NEOs that replace the Prior Agreements that were applicable for 2015. Each of these 2016 Employment Agreements has a term through February 9, 2020, and expires at the end of the term without automatic renewal. The 2016 Employment Agreements contain comprehensive restrictive covenants and other terms, a description of which is set forth under “Employment Agreements with Named Executive Officers—Restrictive Covenants” on page 49.

### *Clawback Provisions*

The Committee is focused on mitigating risk associated with the company’s compensation program for NEOs and believes that clawback provisions are a useful tool. Each NEO’s employment agreement includes a clawback provision under which the NEO may be required, upon certain triggering events, to repay all or a portion of incentive compensation that was previously paid (including proceeds from previously-exercised and vested equity-based awards), and to forfeit unvested equity-based awards. These clawback provisions are generally triggered if: (i) the NEO has engaged in fraud or other willful misconduct that contributes materially to any significant financial restatements or material loss to our company or any of our affiliates; (ii) the NEO is terminated for Cause (as defined in the employment agreement); or (iii) the NEO breaches the restrictive covenants that are applicable under his employment agreement. To the extent that the rules adopted by the SEC under the Dodd-Frank Wall Street Reform and Consumer Protection Act are broader than the clawback provisions contained in the employment agreements that are applicable to our NEOs, our NEOs will be subject to additional clawback provisions pursuant to such rules. For more information, please see “Employment Agreements with Named Executive Officers—Clawbacks” on page 49.



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### *Equity Ownership Requirements*

We believe that maintaining equity ownership in our company will help align our NEOs' interests with the interests of our stockholders and will mitigate a number of risks, including risks related to executive retention and undue risk-taking. In 2016, our Board adopted stock ownership guidelines and stock retention requirements that apply to the company's executive officers and non-employee directors. The following guidelines for equity ownership are expressed as a multiple of each executive's annual base salary:

<u>Executive Office</u>	<u>Stock Ownership Requirement (as a multiple of annual base salary)</u>
CEO	6
Other Executive Officers	3

To determine compliance with these guidelines, generally, common shares held directly or indirectly and unvested restricted stock units subject solely to time-based vesting count towards meeting the stock ownership guidelines. Stock options, whether vested or unvested, and equity-based awards subject to performance-based vesting conditions are not counted towards meeting the stock ownership guidelines. Until the guidelines are met, 70% of the net shares (after tax withholding) received upon vesting of equity-based awards are required to be retained by the executive officer. As of March 24, 2016, each of our NEOs was in compliance with our stock ownership guidelines. In addition, each NEO has agreed to resale restrictions prohibiting the sale or transfer prior to September 2, 2018, of any shares of the company's common stock (on an after-tax basis) acquired upon exercise or settlement of any equity grant received from the company, including equity grants made under each NEO's employment agreement.

### *Tax Considerations*

When consistent with the company's executive compensation goals, we generally try to structure our compensation programs to maximize the deductibility of compensation under Section 162(m) of the Code. However, the Committee and our Board will take into consideration a multitude of factors in making executive compensation decisions and do, in certain circumstances, approve and authorize executive compensation that is not tax deductible.

**Compensation Committee Report**

*The following statement made by our Compensation Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that we specifically incorporate such statement by reference.*

The Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K as set forth above. Based on such review and discussions, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Compensation Committee:

*Adrian P. Kingshott (Chair since March 2016)*

*G. Chris Andersen (Chair until March 2016)*

*Jason D. Papastavrou*

*Oren G. Shaffer (served on the Compensation Committee until March 2016)*

**Compensation Tables**

*Summary Compensation Table*

The following table sets forth information concerning the total compensation awarded to, earned by, or paid to our named executive officers (NEO) for the year ended December 31, 2015.

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus(1) (\$)</b>	<b>Stock Awards(2) (\$)</b>	<b>Option Awards(2) (\$)</b>	<b>Non-Equity Incentive Plan Compensation(3) (\$)</b>	<b>All Other Compensation(4) (\$)</b>	<b>Total (\$)</b>
Bradley S. Jacobs <sup>(5)</sup> Chief Executive Officer and Chairman	2015	\$495,000	—	\$2,948,108	—	\$ 2,325,000	\$ 3,614	\$ 5,771,722
	2014	\$495,000	—	\$2,802,536	—	\$ 585,000	\$ 2,105	\$ 3,884,641
	2013	\$495,000	—	—	—	\$ 495,000	\$ 2,000	\$ 992,000
Troy A. Cooper <sup>(6)</sup> Chief Operating Officer	2015	\$350,000	—	\$ 491,361	—	\$ 1,850,000	\$ 3,760	\$ 2,695,121
	2014	\$308,462	—	\$1,019,349	—	\$ 475,000	\$ 2,105	\$ 1,804,916
John J. Hardig Chief Financial Officer	2015	\$395,000	\$200,000	\$ 491,361	—	\$ 1,650,000	\$ 32,982	\$ 2,769,343
	2014	\$395,000	—	\$ 834,789	—	\$ 435,000	\$ 27,453	\$ 1,692,242
	2013	\$395,000	—	—	—	\$ 390,000	\$ 29,999	\$ 814,999
Gordon E. Devens Chief Legal Officer	2015	\$300,000	—	\$ 491,361	—	\$ 1,650,000	\$ 3,916	\$ 2,445,277
	2014	\$300,000	—	\$ 894,434	—	\$ 475,000	\$ 2,105	\$ 1,671,539
	2013	\$300,000	—	\$ 721,144	—	\$ 405,000	\$ 2,000	\$ 1,428,144
Scott B. Malat Chief Strategy Officer	2015	\$300,000	\$200,000	\$ 491,361	—	\$ 1,650,000	\$ 3,916	\$ 2,645,277
	2014	\$300,000	—	\$1,173,310	—	\$ 475,000	\$ 2,105	\$ 1,950,415
	2013	\$300,000	—	\$ 360,566	—	\$ 350,000	\$ 2,000	\$ 1,012,566

- (1) The amounts reflected in this column for 2015 represent a \$200,000 one-time discretionary cash incentive award paid on June 30, 2015 to each of Messrs. Hardig and Malat in recognition of their contributions in connection with the company's acquisition of Norbert Dentressangle SA and the related financing transactions.
- (2) The amounts reflected in each respective column represent the aggregate grant date fair value of the awards made during each respective year, as computed in accordance with ASC 718. For a further discussion of the assumptions used in the calculation of the grant date fair values for each year, please see "Notes to Consolidated Financial Statements—Note 13. Stock-Based Compensation" of our company's Annual Report on Form 10-K for the year ended December 31, 2015. For further discussion of grants made in 2015, see the accompanying "Grants of Plan-Based Awards" table. For the PRSUs, the amounts reflected in the column assume the achievement of the applicable performance goals at the target level, which is also the maximum level.
- (3) The amounts reflected in this column for 2015 represent a performance-based annual cash bonus award earned in respect of 2015, which is described in more detail under the heading "Compensation Discussion and Analysis—Annual Cash Incentive Bonuses."
- (4) The components of "All Other Compensation" for 2015 are detailed below in the "All Other Compensation" table.
- (5) Mr. Jacobs did not receive any additional compensation for his services as a director.
- (6) Mr. Cooper was not an NEO in 2013, and accordingly, compensation information for that year is omitted.

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We compensate our NEOs pursuant to the terms of their respective employment agreements, and the information reported in the “Summary Compensation” table reflects the terms of such agreements. For more information about our NEOs’ employment agreements, see the discussion in this proxy statement under the heading “Employment Agreements with Named Executive Officers.”

### *All Other Compensation Table*

The following table outlines the amounts included in the “All Other Compensation” column in the “Summary Compensation” table for our NEOs in 2015:

<b>Name</b>	<b>Matching Contributions to 401(k) Plan (\$)(1)</b>	<b>Company-Paid Life Insurance Premiums (\$)(2)</b>	<b>Perquisites and Other Personal Benefits (\$)(3)</b>	<b>Total (\$)</b>
Bradley S. Jacobs	\$ 3,177	\$ 437	—	\$ 3,614
Troy A. Cooper	\$ 3,323	\$ 437	—	\$ 3,760
John J. Hardig	\$ 3,220	\$ 437	\$ 29,326	\$32,982
Gordon E. Devens	\$ 3,486	\$ 430	—	\$ 3,916
Scott B. Malat	\$ 3,486	\$ 430	—	\$ 3,916

- (1) Amounts in this column represent matching contributions made by us to our company’s 401(k) plan. Only amounts contributed directly by our NEOs are eligible for matching contributions, and our NEOs are eligible for matching contributions on the same basis as all other eligible employees of our company.
- (2) Amounts in this column represent the company-paid premiums for basic life insurance and accidental death and dismemberment (AD&D) insurance.
- (3) Amounts in this column represent the company-paid premiums for an executive Long Term Disability plan of \$205 and a payment to reimburse commuting expenses of \$29,120 paid pursuant to Mr. Hardig’s employment agreement.

*Grants of Plan-Based Awards*

The following table provides additional detail regarding grants of equity and non-equity plan-based awards under our 2011 Plan:

Name and Principal Position	Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(2)</sup>			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards <sup>(3)</sup>
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Bradley S. Jacobs Chief Executive Officer and Chairman	2/27/2015	2/27/2015	—	495,000	—	—	102,436	—	—	—	\$2,948,108	
Troy A. Cooper Chief Operating Officer	2/27/2015	2/27/2015	—	350,000	—	—	17,073	—	—	—	\$ 491,361	
John J. Hardig Chief Financial Officer	2/27/2015	2/27/2015	—	395,000	—	—	17,073	—	—	—	\$ 491,361	
Gordon E. Devens Chief Legal Officer	2/27/2015	2/27/2015	—	300,000	—	—	17,073	—	—	—	\$ 491,361	
Scott B. Malat Chief Strategy Officer	2/27/2015	2/27/2015	—	300,000	—	—	17,073	—	—	—	\$ 491,361	

- (1) Amounts represent the target award for each NEO. For actual payout information, please see “Compensation Discussion and Analysis—Annual Cash Incentive Bonuses” on page 31.
- (2) Awards in these columns consist of PRSUs. The PRSUs vest upon achievement of the following performance goals (subject, in general, to the grantee’s continued employment by the company as of the date of determination): (i) the company’s common stock trades at or above \$60.00 per share for 20 consecutive trading days prior to April 2, 2018, and the company’s fiscal year 2017 adjusted cash earnings per share is at least \$2.75, or (ii) if such performance goals are not met, the company’s common stock trades at or above \$86.00 per share for 20 consecutive trading days prior to September 2, 2020 and the company’s fiscal year 2019 adjusted cash earnings per share is at least \$4.30.
- (3) Amounts represent the grant date fair value of equity awards made in 2015, as computed in accordance with ASC 718.

For additional information relevant to the awards that are shown in the above table (including a discussion of the performance criteria established and the actual payouts, if applicable, under such awards), please see the discussions in this proxy statement under the headings “Compensation Discussion and Analysis—Annual Cash Incentive Bonuses,” “Compensation Discussion and Analysis—Long-Term Incentive Program” and “Employment Agreements with Named Executive Officers.” Also, the vesting of awards set forth in the above table may, in certain instances, be accelerated upon certain events. See the discussions in this proxy statement under the headings “Compensation Discussion and Analysis” and “Employment Agreements with Named Executive Officers” for the principal terms of our NEOs’ employment agreements.

*Outstanding Equity Awards at Fiscal Year-End*

The following table sets forth the outstanding equity awards held by our NEOs as of December 31, 2015:

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Units of Stock That Have Not Vested (\$)(1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(1)
Bradley S. Jacobs Chief Executive Officer and Chairman	200,000	50,000(2)	—	\$ 9.28	11/21/2021	42,000(3)	\$ 1,144,500	253,029(4)	\$ 6,895,040
Troy A. Cooper Chief Operating Officer	20,000	5,000(2)	—	\$ 11.46	1/16/2022	25,000(5)	\$ 681,250	82,124(6)	\$ 2,237,879
John J. Hardig Chief Financial Officer	40,000	10,000(2)	—	\$ 14.09	2/13/2022	27,000(7)	\$ 735,750	61,930(8)	\$ 1,687,593
Gordon E. Devens Chief Legal Officer	100,000	25,000(2)	—	\$ 9.79	11/14/2021	57,143(9)	\$ 1,557,147	65,135(10)	\$ 1,774,929
Scott B. Malat Chief Strategy Officer	20,000	5,000(2)	—	\$ 10.65	10/21/2021	49,262(11)	\$ 1,342,390	74,747(12)	\$ 2,036,856
		23,000(2)		\$ 18.07	3/5/2022				

**Note:** Vesting of all outstanding equity awards is subject to continued employment by the NEO on the applicable vesting date.

- (1) Amounts in this column have been calculated using an assumed stock price of \$27.25, the closing price of our common stock on December 31, 2015, the last business day of our fiscal year 2015.
- (2) These stock options vest on September 2, 2016.
- (3) Consists of (i) 10,000 RSUs, which will vest on September 2, 2016; and (ii) 32,000 PRSUs, which will vest on September 2, 2016.
- (4) Consists of 253,029 PRSUs, which will vest on April 2, 2018, subject to achievement of certain performance criteria. PRSUs are reflected at the target amount because there are no threshold amounts for such PRSUs.
- (5) Consists of 25,000 PRSUs, of which 15,000 will vest on September 2, 2016, 5,000 will vest on February 15, 2017 and 5,000 will vest on February 15, 2018.
- (6) Consists of 82,124 PRSUs, which will vest on April 2, 2018, subject to achievement of certain performance criteria. PRSUs are reflected at the target amount because there are no threshold amounts for such PRSUs.
- (7) Consists of (i) 10,000 RSUs, which will vest on September 2, 2016; and (ii) 17,000 PRSUs, which will vest on September 2, 2016.
- (8) Consists of 61,930 PRSUs, which will vest on April 2, 2018, subject to achievement of certain performance criteria. PRSUs are reflected at the target amount because there are no threshold amounts for such PRSUs.
- (9) Consists of 57,143 PRSUs, of which 34,286 will vest on September 2, 2016, 11,429 will vest on February 15, 2017 and 11,428 will vest on February 15, 2018.
- (10) Consists of 65,135 PRSUs, which will vest on April 2, 2018, subject to achievement of certain performance criteria. PRSUs are reflected at the target amount because there are no threshold amounts for such PRSUs.
- (11) Consists of (i) 14,000 RSUs, which will vest on September 2, 2016; (ii) 3,191 RSUs, which will vest on September 2, 2016; (iii) 3,500 PRSUs, which will vest on September 2, 2016; and (iv) 28,571 PRSUs, of which 17,143 will vest on September 2, 2016, and 5,714 will vest on each of February 15, 2017 and February 15, 2018.
- (12) Consists of 74,747 PRSUs, which will vest on April 2, 2018, subject to achievement of certain performance criteria. PRSUs are reflected at the target amount, because there are no threshold amounts for such PRSUs.

*Options Exercised and Stock Vested*

The following table sets forth the restricted stock units that vested for our NEOs during 2015. There were no stock option exercises by our NEOs during 2015.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(1)
Bradley S. Jacobs	—	—	42,000	1,438,920
Troy A. Cooper	—	—	21,875	749,438
John J. Hardig	—	—	27,000	925,020
Gordon E. Devens	—	—	—	—
Scott B. Malat	—	—	20,704	744,307

(1) The aggregate dollar amount realized upon the vesting of RSUs and PRSUs is calculated based on the closing price on the date of vesting.

*Potential Payments Upon Termination or Change of Control*

The following table reflects the amounts of compensation that would be due to each of our NEOs pursuant to their respective employment agreements upon termination without Cause or for Good Reason (as defined in their respective employment agreements), termination for Cause, voluntary termination without Good Reason, termination due to disability or death of the executive, a Change of Control (as defined in the 2011 Plan), termination following a Change of Control, in each case, as if each such event had occurred on December 31, 2015. As discussed in this proxy statement under the heading “Employment Agreements with Named Executive Officers,” the employment agreements that were in effect on December 31, 2015 have been superseded by new employment agreements effective on February 9, 2016. For purposes of the table below, we have assumed that the current employment agreements of our NEOs that became effective on February 9, 2016 were in effect on December 31, 2015. The amounts shown below are estimates of the payments that each NEO would receive in certain instances. The actual amounts payable will only be determined upon the actual occurrence of any such event.

Event	Bradley S. Jacobs	Troy A. Cooper	John J. Hardig	Gordon E. Devens	Scott B. Malat
<b>Termination without Cause or for Good Reason:</b>					
Cash severance(1)(2)(3)(4)	\$ 312,500	\$ 268,750	\$ 257,500	\$ 250,000	\$ 250,000
RSUs	\$ 89,598	—	\$ 89,598	—	\$ 125,432
PRSUs	\$ 2,866,756	\$ 883,485	\$ 821,323	\$ 707,793	\$ 855,432
Options	\$ 295,391	\$ 25,959	\$ 43,270	\$ 143,504	\$ 27,290
Acceleration of equity-based awards(5)	\$ 3,251,745	\$ 909,444	\$ 954,191	\$ 851,297	\$ 1,008,154
Continuation of medical / dental benefits(6)	\$ 10,208	\$ 10,139	\$ 10,208	\$ 10,208	\$ 10,208
<b>Total</b>	<b>\$ 3,574,453</b>	<b>\$ 1,188,333</b>	<b>\$ 1,221,899</b>	<b>\$ 1,111,505</b>	<b>\$ 1,268,362</b>
<b>Termination without Cause or for Good Reason, Fully Extended Non-Compete(7):</b>					
Cash severance(1)(2)(3)	\$ 937,500(4)	\$ 806,250	\$ 772,500(4)	\$ 750,000(4)	\$ 750,000(4)
RSUs	\$ 89,598	—	\$ 89,598	—	\$ 125,432
PRSUs	\$ 2,866,756	\$ 883,485	\$ 821,323	\$ 707,793	\$ 855,432
Options	\$ 295,391	\$ 25,959	\$ 43,270	\$ 143,504	\$ 27,290
Acceleration of equity-based awards(5)	\$ 3,251,745	\$ 909,444	\$ 954,191	\$ 851,297	\$ 1,008,154
Continuation of medical / dental benefits(6)	\$ 10,208	\$ 10,139	\$ 10,208	\$ 10,208	\$ 10,208
<b>Total</b>	<b>\$ 4,199,453</b>	<b>\$ 1,725,833</b>	<b>\$ 1,736,899</b>	<b>\$ 1,611,505</b>	<b>\$ 1,768,362</b>

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Event	Bradley S. Jacobs	Troy A. Cooper	John J. Hardig	Gordon E. Devens	Scott B. Malat
<b>Termination for Cause or Voluntary Termination without Good Reason:</b>					
Cash severance(1)(2)	—	—	—	—	—
Acceleration of equity-based awards	—	—	—	—	—
Continuation of medical / dental benefits	—	—	—	—	—
<b>Total</b>	—	—	—	—	—
<b>Disability:</b>					
Cash severance(1)(2)(4)	—	—	—	—	—
Acceleration of equity-based awards(5)	\$ 2,043,000	\$ 760,200	\$ 867,350	\$ 1,993,647	\$ 1,338,435
Continuation of medical / dental benefits	—	—	—	—	—
<b>Total</b>	<b>\$ 2,043,000</b>	<b>\$ 760,200</b>	<b>\$ 867,350</b>	<b>\$ 1,993,647</b>	<b>\$ 1,338,435</b>
<b>Death:</b>					
Cash severance(2)(4)	—	—	—	—	—
Acceleration of equity-based awards(5)	\$ 8,938,040	\$ 2,998,079	\$ 2,554,943	\$ 3,768,576	\$ 3,375,291
Continuation of medical / dental benefits	—	—	—	—	—
<b>Total</b>	<b>\$ 8,938,040</b>	<b>\$ 2,998,079</b>	<b>\$ 2,554,943</b>	<b>\$ 3,768,576</b>	<b>\$ 3,375,291</b>
<b>Change of Control and No Termination:</b>					
Cash severance(2)	—	—	—	—	—
Acceleration of equity-based awards(5)	\$ 8,938,040	\$ 2,998,079	\$ 2,554,943	\$ 3,768,576	\$ 3,673,385
Continuation of medical / dental benefits	—	—	—	—	—
<b>Total</b>	<b>\$ 8,938,040</b>	<b>\$ 2,998,079</b>	<b>\$ 2,554,943</b>	<b>\$ 3,768,576</b>	<b>\$ 3,673,385</b>
<b>Change of Control and Termination without Cause or for Good Reason:</b>					
Cash severance(2)	\$ 3,125,000	\$ 2,687,500	\$ 2,575,000	\$ 2,500,000	\$ 2,500,000
Acceleration of equity-based awards(5)	\$ 8,938,040	\$ 2,998,079	\$ 2,554,943	\$ 3,768,576	\$ 3,673,385
Continuation of medical / dental benefits(6)	\$ 40,830	\$ 40,554	\$ 40,830	\$ 40,830	\$ 40,830
<b>Total</b>	<b>\$ 12,103,870</b>	<b>\$ 5,726,133</b>	<b>\$ 5,170,773</b>	<b>\$ 6,309,406</b>	<b>\$ 6,214,215</b>

- (1) Upon a termination of employment for any reason (other than death), whether with or without Cause, prior to February 2018, a portion of the NEO's 2015 cash bonus must be reimbursed to the company. This repayment obligation is not reflected in the amounts shown in this table. The repayment obligation does not apply after a Change of Control.
- (2) Amounts shown do not include any payments for accrued and unpaid salary, bonuses or vacation.
- (3) In the event of a termination by our company without Cause or by any NEO for Good Reason prior to a Change of Control, cash severance payable to the NEO will be reduced, dollar for dollar, by other income earned by such NEO. The calculations of severance pay in the above table use the NEO's base salary effective in February 2016 under the 2016 Employment Agreements.
- (4) This payment amount under the 2016 Employment Agreement is lower than such payment would have been under the Prior Agreement. Please see "Employment Agreements with Named Executive Officers" on pages 46-49 for a description of such reduction.
- (5) Amounts shown were calculated using the fair market value of unvested restricted stock units and the in-the-money value of unvested options based upon a stock price of \$27.25 per share, our company's stock price as of December 31, 2015. The amounts shown for PRSUs have been estimated assuming that the applicable performance goals are met at target levels. Although the PRSUs would no longer be subject to a continued service requirement upon the occurrence of a termination by our company without Cause or by the NEO for Good Reason, payment of such award would remain subject to the actual achievement of the applicable performance goals.
- (6) The amounts of continued medical and dental benefits shown in the table (i) have been calculated based upon our current actual costs of providing the benefits through COBRA and (ii) have not been discounted for the time value of money. Our current annual cost of providing medical and dental benefits to each of our eligible NEOs is as follows: Mr. Jacobs, \$20,415; Mr. Hardig, \$20,415; Mr. Cooper, \$20,277; Mr. Devens, \$20,415; and Mr. Malat, \$20,415. In the case of our NEOs, in the event of a termination without Cause, continued medical and dental benefits will cease when the NEO commences employment with a new employer.
- (7) In the event of a termination for any reason, our company has the right to extend the period during which such NEO is bound by the non-competition covenant in his employment agreement for up to 12 additional months. During the period the non-compete is extended, the NEO would be entitled to receive cash compensation equal to his monthly base salary as in effect on the date his employment terminated. Amounts included in the respective columns assume that the non-compete is extended for 12 months for each NEO, such that the NEO will not be permitted to compete with our company for three years following his termination and will receive monthly base salary continuation during such 12-month extension period.



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Each 2016 Employment Agreement, which is described in detail in this proxy statement under the heading “Employment Agreements with Named Executive Officers,” generally provides that, in the event of a termination without Cause (as defined below) either prior to a Change of Control (as defined below) or more than two years following a Change of Control, cash severance payments and continued benefits will be made ratably over the six-month period following the executive’s termination (subject to any delays required pursuant to Section 409A of the Code). The 2016 Employment Agreements generally do not provide for payments other than accrued benefits if employment is terminated due to death or disability. Generally, in the event of a termination upon or within two years following a Change of Control, cash severance payments will be made in one lump sum (subject to any delays required pursuant to Section 409A of the Code). The equity-based awards granted to our NEOs will generally accelerate vesting in the event of a termination due to disability or death or upon a Change of Control, except that the 2014 and 2015 PRSU award agreements do not specifically address vesting in the event that the termination of employment is due to disability and for purposes of these calculations we have assumed no accelerated vesting. The severance payments set forth in the table are generally subject to and conditioned upon the NEO signing an irrevocable waiver and release and continued compliance with certain restrictive covenants.

For more information regarding the payments and benefits to which our NEOs are entitled upon certain termination events or upon a Change of Control, see the discussion in this proxy statement under the heading “Employment Agreements with Named Executive Officers.”

### **Employment Agreements with Named Executive Officers**

Effective as of February 9, 2016, we entered into employment agreements with each of the NEOs (the “2016 Employment Agreements”), which replace and supersede the prior employment agreements with our NEOs that were originally scheduled to expire on September 2, 2016 (the “Prior Agreements”). The primary purposes of the 2016 Employment Agreements are to (i) incentivize the NEOs to be aligned with our corporate goals and shareholders’ interests, (ii) provide financial incentives for the NEOs to increase shareholder value and focus on the integration of recent acquisitions, and (iii) strengthen the linkage between pay and performance in our executive compensation program.

*Term.* Each 2016 Employment Agreement provides for the NEO’s employment from the effective date of February 9, 2016 until February 9, 2020.

*Salary and Annual Incentive Bonus.* The 2016 Employment Agreements provide for each NEO the annual base salary as set forth in the table below and an annual target bonus of 100 percent of annual base salary.

#### **2016 Employment Agreement Annual Base Salary**

<b>Named Executive Officer</b>	<b>Annual Salary</b>
Mr. Bradley S. Jacobs	\$ 625,000
Mr. Troy A. Cooper	\$ 537,500
Mr. John J. Hardig	\$ 515,000
Mr. Gordon E. Devens	\$ 500,000
Mr. Scott B. Malat	\$ 500,000

In addition, for 2015, the 2016 Employment Agreements provide for the payment to each of the NEOs of an annual bonus amount as set forth in the table below. In order to enhance the long-term retentive value of the 2015 annual bonuses, the Committee made a portion of the 2015 cash bonuses subject to repayment if an NEO leaves our company for any reason (other than death) within two years immediately following the payment date. In the case of a termination for Cause, the full amount of the Maximum Repayment Obligation specified below would

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be subject to repayment. In the case of a termination due to disability or resignation, whether with or without Good Reason (as defined in the 2016 Employment Agreements), a prorated amount of the Maximum Repayment Obligation (based on the number of days from the termination date until the two year anniversary of the payment date) would be subject to repayment by the NEO. In the case of a termination by the company without Cause, a prorated amount of the Maximum Repayment Obligation (based on the number of days from six months following the termination date until the two-year anniversary of the payment date) would be subject to repayment by the NEO.

### Employment Agreement 2015 Annual Bonus

Named Executive Officer	2015 Annual Bonus Payout	Maximum Repayment Obligation
Mr. Bradley S. Jacobs	\$ 2,325,000	\$ 1,400,000
Mr. Troy A. Cooper	\$ 1,850,000	\$ 1,100,000
Mr. John J. Hardig	\$ 1,650,000	\$ 1,000,000
Mr. Gordon E. Devens	\$ 1,650,000	\$ 1,000,000
Mr. Scott B. Malat	\$ 1,650,000	\$ 1,000,000

*Initial Equity Incentive Awards.* In order to induce the NEOs to enter into the 2016 Employment Agreements, the NEOs were granted cash-settled PRSUs with performance goals based on adjusted cash flow per share (as defined in the award agreements) of \$2.93 for 2016, \$3.96 for 2017, \$5.38 for 2018, and \$6.39 for 2019 (subject to adjustment based on certain factors as may be determined by the Committee). The PRSU grants are intended to cover the four-year term of the 2016 Employment Agreements and vest in equal tranches on each of the first four anniversaries of the grant date, subject to the NEO's continued employment and to achievement of the applicable performance goals for each tranche. The total and annualized grant values for each of the NEOs are shown below.

NEO	2016-2019 Total Target Award in dollars	Annualized Target Award in dollars
Bradley S. Jacobs	\$ 20,000,000	\$ 5,000,000
Troy A. Cooper	\$ 4,500,000	\$ 1,125,000
John J. Hardig	\$ 4,000,000	\$ 1,000,000
Gordon E. Devens	\$ 4,000,000	\$ 1,000,000
Scott B. Malat	\$ 4,000,000	\$ 1,000,000

*Lock-up Restrictions.* Pursuant to the 2016 Employment Agreements, any shares of our common stock issued to an NEO upon exercise or vesting of any equity compensation award (whether before, on or after the date of the 2016 Employment Agreement) will be subject to a lock-up until the earliest of September 2, 2018, a Change of Control or the NEO's death. Under the Prior Agreements, such shares were subject to lock-up until September 2, 2016.

*Benefits and Business Expense Reimbursement.* Under the 2016 Employment Agreements, each of our NEOs is eligible to participate in our benefit plans and programs that are generally available to other members of our senior executive team and is eligible for reimbursement of all reasonable and necessary business expenses incurred in the performance of his duties during the term of his 2016 Employment Agreement.

*Termination Events.* The severance payments pursuant to the 2016 Employment Agreements described below are generally subject to and conditioned upon the NEO (1) signing an irrevocable waiver and general release and (2) complying with the restrictive covenants contained in his 2016 Employment Agreement (as described below).

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In the event that any of our NEOs dies during the term of his 2016 Employment Agreement, or if we terminate the NEO's employment without Cause, either prior to a Change of Control or more than two years following a Change of Control, such NEO will be entitled to:

- accrued and unpaid salary, vacation benefits and unreimbursed business expenses;
- solely in the case of a termination by the company without Cause, six months' base salary, at the level in effect on the date of termination, which will be paid in equal installments over the 6 months following the date of termination (subject to any delay required by Section 409A of the Code), which generally will be reduced, dollar-for-dollar, by other earned income; and
- solely in the case of a termination by the company without Cause, medical and dental coverage for a period of 6 months from the date of termination, or, if earlier, until the NEO secures other employment.

Under the Prior Agreements, each NEO (other than Mr. Cooper) was entitled to payment of two years' base salary (for Messrs. Jacobs and Hardig) or one year's base salary (for Messrs. Devens and Malat) if his employment was terminated (i) without Cause, either prior to a Change of Control or more than two years following a Change of Control, or (ii) due to death or disability or for Good Reason (as defined in the Prior Agreements). Pursuant to the 2016 Employment Agreements, the NEOs are no longer entitled to cash benefits in the case of death or disability or, in the event of a termination for Good Reason except following a Change of Control (as further described below under "*Change of Control*").

The 2016 Employment Agreements do not provide for accelerated vesting of equity, equity-based or other long term incentive compensation awards other than as set for the in the applicable award agreements. The Prior Agreements provided that if the NEO's employment was terminated during the term of his employment agreement as a result of death or disability (except for Mr. Cooper), the unvested equity-based awards granted to the NEO in the employment agreement would automatically vest. In addition, pursuant to the Prior Agreements, if the NEO's employment was terminated either by our company without Cause or by him for Good Reason during the term of his employment agreement, a prorated portion of the unvested equity-based awards granted in the employment agreement scheduled to vest on the next vesting date would vest and the balance of any such equity-based awards would be forfeited upon the date of termination.

The 2016 Employment Agreements modified the terms of PRSUs granted to the NEOs during 2014 and 2015. Specifically, the 2016 Employment Agreements provide that, notwithstanding the original award agreements for PRSUs granted during 2014 and 2015, in the event an NEO is terminated without Cause, a prorated portion of the PRSU award will vest only if the applicable performance goal is achieved. The original award agreements with respect to PRSUs granted during 2014 and 2015 to the NEOs provided that, upon a termination without Cause prior to April 2, 2018, such PRSUs would vest on a prorated basis without regard to whether the applicable performance goal was satisfied.

Pursuant to the terms of the 2016 Employment Agreements and a subsequent modification, all PRSUs granted to NEOs in 2014 and 2015 were modified so that such PRSUs will vest if the following conditions occur: (i) the company's common stock trades at or above \$60.00 per share for 20 consecutive trading days prior to April 2, 2018, and the company's fiscal year 2017 adjusted cash earnings per share is at least \$2.75, or (ii) if such performance goals are not met, the company's common stock trades at or above \$86.00 per share for 20 consecutive trading days prior to September 2, 2020 and the company's fiscal year 2019 adjusted cash earnings per share is at least \$4.30.

### *Definitions of Cause and Good Reason*

"Cause," for purposes of the 2016 Employment Agreements, generally means the NEO's:

- gross negligence or willful failure to perform his duties;
- abuse or dependency on alcohol or drugs that adversely affects his performance of duties;

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- commission of any fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of money or other assets of our company;
- breach of any term of his 2016 Employment Agreement or any agreement governing any equity-based awards or breach of his fiduciary duties;
- any willful act, or failure to act, in bad faith to the detriment of our company;
- willful failure to cooperate in good faith with a governmental or internal investigation if his cooperation is requested;
- failure to follow our company's code of conduct or ethics policy; and
- conviction of, or plea of nolo contendere to, a felony or any serious crime;

provided that, in cases where cure is possible, the NEO has a cure period of 15 days before he can be terminated for Cause.

Although the Prior Agreements allowed an NEO to terminate his employment for Good Reason at any time, the 2016 Employment Agreements allow an NEO to terminate his employment for Good Reason only upon or during the two-year period following a Change of Control. "Good Reason," for purposes of the 2016 Employment Agreements, generally means, without first obtaining the NEO's written consent:

- our material breach of the terms of the NEO's 2016 Employment Agreement or a reduction in his base salary or target bonus;
- we materially diminish his title, duties, authorities, reporting relationships, responsibilities or position;
- we require the NEO to be based in a location that is more than 50 miles from his initial work location immediately prior to the Change of Control; and
- with regard to Mr. Jacobs, we require him to no longer report to directly to the Board and with regard to Messrs. Cooper, Hardig, Devens and Malat, we require him to report to someone other than the Chief Executive Officer.

In each case, the NEO's Good Reason right is subject to our company's 30-day cure period.

*Change of Control.* In the event that, upon or within two years following a Change of Control, Messrs. Jacobs', Cooper's, Hardig's, Devens' or Malat's employment is terminated by our company without Cause or such NEO resigns for Good Reason, he will receive:

- accrued and unpaid salary, vacation benefits and unreimbursed business expenses;
- a lump-sum cash payment equal to two times the sum of his annual base salary and target annual bonus each at the level in effect on the date of termination (subject to any delay required by Section 409A of the Code) (this benefit was reduced from the three times the sum of annual base salary and target annual bonus provided in the Prior Agreements);
- a prorated target bonus for the year of termination; and
- medical and dental coverage for a period of 24 months from the date of termination (this benefit was reduced from the 36 months of coverage provided in the Prior Agreements).

In the event that any amounts payable to the NEO in connection with a Change of Control constitute "parachute payments" within the meaning of Section 280G of the Code, then any such amounts will be reduced to avoid triggering the excise tax imposed by Section 4999 of the Code, if it would be more favorable to the NEO on a net after-tax basis. The NEO is not entitled to a gross-up payment for excise taxes imposed by Section 4999 of the Code on "excess parachute payments," as defined in Section 280G of the Code.

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*Clawbacks.* Under the 2016 Employment Agreements, each of our NEOs is subject to equity and annual bonus clawback provisions in the event of (1) a breach of the restrictive covenants, (2) termination of his employment by our company for Cause or (3) his engagement in fraud or willful misconduct that contributes materially to any financial restatement or material loss to our company or its affiliates. If any such event occurs, we generally may terminate or cancel any awards granted to such NEO by our company (whether vested or unvested), and require him to forfeit or remit to our company any amount payable (or the net after-tax amount paid or received by such NEO) in respect of any such awards. Furthermore, under the 2016 Employment Agreements, in the event that an NEO engages in fraud or other willful misconduct that contributes materially to any financial restatement or material loss to our company, our company may generally require such NEO to repay any annual bonus (net of any taxes paid by him) previously paid to him, cancel any earned but unpaid annual bonus or adjust any future compensation such that he will only retain the amount that would have been payable to him after giving effect to the financial restatement or material loss. In addition, in the event that the NEO breaches any restrictive covenant, such NEO will be required, upon written notice from us, to forfeit or repay to our company his severance payments. In certain circumstances, the breach or fraudulent conduct must have occurred within a certain period in order for us to be able to clawback the equity-based awards, annual bonus or severance payments. In addition, the NEO shall be subject to any other clawback or recoupment policy of the company as may be in effect from time to time or any clawback or recoupment as may be required by applicable law.

*Restrictive Covenants.* In the 2016 Employment Agreements, the NEOs are subject to substantially broader, longer and stronger non-competition and other restrictive covenants as compared to such provisions in the Prior Agreements. Under the 2016 Employment Agreement, each of our NEOs is generally subject to the following restrictive covenants: employee and customer non-solicitation during his employment and for a period of three years thereafter; confidentiality and non-disparagement during his employment and thereafter; and non-competition during his employment and for a period of two years following his termination for any reason. Under the Prior Agreements, the non-competition obligations generally applied for a period of one year following termination by our company without Cause or by the NEO for Good Reason and for a period of three years following any other type of termination. In addition, we have the option to extend the non-competition period for up to an additional year following a termination for any reason, provided that we continue to pay the NEO's base salary as in effect on the date of termination during the extended non-competition period. The Prior Agreements provided for the option to extend the non-competition period for a period of up to two years only in the case of a termination by our company without Cause or by the NEO for Good Reason (except for Mr. Cooper, whose Prior Agreement did not provide for such option to extend the non-competition period) with base salary continuation during such extension period.

**EQUITY COMPENSATION PLAN INFORMATION**

The following table gives information as of December 31, 2015, with respect to the Company's compensation plans under which equity securities are authorized for issuance.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights<sup>(1)</sup> (b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)</b>
Equity compensation plans approved by security holders	5,472,780(2)	\$ 16.72	4,730,552(3)
Equity compensation plans not approved by security holders	77,000(4)	\$ 14.09	0
<b>Total</b>	<b>5,549,780</b>	<b>\$ 16.66</b>	<b>4,730,552</b>

(1) The weighted average exercise price is based solely on the outstanding options.

(2) Includes 1,192,755 stock options outstanding under the XPO Logistics, Inc. Amended and Restated 2011 Omnibus Incentive Compensation Plan, 71,811 stock options outstanding under the Segmentz, Inc. 2001 Stock Option Plan, 177,348 stock options outstanding under the Con-way Inc. 1997 Equity and Incentive Plan, 499,380 stock options outstanding under the Con-way Inc. 2006 Equity and Incentive Plan, and 12,985 stock options outstanding under the Con-way Inc. 2012 Equity and Incentive Plan. Also includes an aggregate of 2,521,378 restricted stock units and performance-based restricted stock units granted under the XPO Logistics, Inc. Amended and Restated 2011 Omnibus Incentive Compensation Plan and 997,123 restricted stock units granted under the Con-way Inc. 2012 Equity and Incentive Plan.

(3) Includes 737,840 securities available for issuance under XPO Logistics, Inc. Amended and Restated 2011 Omnibus Incentive Compensation Plan and 3,992,712 securities available for issuance under the Con-way Inc. 2012 Equity and Incentive Plan. The securities available for grant under the Con-way Inc. 2012 Equity and Incentive Plan cannot be granted to employees who were employed by XPO Logistics, Inc. or its subsidiaries prior to the closing of the Con-way acquisition.

(4) These securities were granted to our Chief Financial Officer in February 2012 outside the security holder-approved plan as employee inducement grants. These securities represent 50,000 stock options, 10,000 restricted stock units and 17,000 performance-based restricted stock units.

## **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten-percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on a review of the copies of such forms furnished to us, or written representations from our directors and executive officers, we believe that during 2015, our executive officers, directors and greater than ten-percent beneficial owners complied with all applicable Section 16(a) filing requirements, except that one Form 4 reporting a single transaction involving the automatic conversion of our Series C preferred stock for shares of our common stock upon stockholder approval on September 8, 2015 was filed on September 17, 2015 by Coral Blue Investment Pte. Ltd. (“Coral Blue”), one of the company’s greater than ten-percent beneficial owners, because Coral Blue filed the Form 4 promptly upon exchanging the shares of Series C preferred stock for shares of our common stock rather than based on the actual timing of the automatic conversion of the shares of Series C preferred stock upon shareholder approval.

## AUDIT-RELATED MATTERS

### Report of the Audit Committee

*The following statement made by our Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate such statement by reference.*

The Audit Committee (“we” in this Report of the Audit Committee) currently consists of Mr. Shaffer (Chair), Mr. Kingshott and Dr. Papastavrou. During 2015, the Audit Committee consisted of Dr. Papastavrou (Chair), Mr. Jesselson and Mr. Kingshott.

The Board of Directors has determined that each current member of the Audit Committee has the requisite independence and other qualifications for audit committee membership under SEC rules, the listing standards of NYSE, our Audit Committee Charter, and the independence standards set forth in the XPO Logistics, Inc. Corporate Governance Guidelines. The Board of Directors has also determined that Dr. Papastavrou is an “audit committee financial expert” as defined under Item 407(d)(5) of Regulation S-K under the Exchange Act. As more fully described below, in carrying out its responsibilities, the Audit Committee relies on management and XPO’s independent registered public accounting firm (the “outside auditors”). The Audit Committee members are not professionally engaged in the practice of accounting or auditing. The Audit Committee operates under a written charter that is reviewed annually and is available at [www.xpo.com](http://www.xpo.com).

In accordance with our charter, the Audit Committee assists the Board of Directors in fulfilling its responsibilities in a number of areas. These responsibilities include, among others, oversight of (i) XPO’s accounting and financial reporting processes, including XPO’s systems of internal controls and disclosure controls, (ii) the integrity of XPO’s financial statements, (iii) XPO’s compliance with legal and regulatory requirements, (iv) the qualifications and independence of XPO’s outside auditors and (v) the performance of XPO’s outside auditors and internal audit function. Management is responsible for XPO’s financial statements and the financial reporting process, including the system of internal control over financial reporting. XPO’s outside auditors, KPMG, are accountable to us and are responsible for expressing an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of XPO in conformity with generally accepted accounting principles in the United States. We are solely responsible for selecting and reviewing the performance of XPO’s outside auditors and, if we deem appropriate in our sole discretion, terminating and replacing the outside auditors. We also are responsible for reviewing and approving the terms of the annual engagement of XPO’s outside auditors, including the scope of audit and non-audit services to be provided by the outside auditors and the fees to be paid for such services, and discussing with the outside auditors any relationships or services that may impact the objectivity and independence of the outside auditors.

In fulfilling our oversight role, we met and held discussions, both together and separately, with the company’s management and KPMG. Management advised us that the company’s consolidated financial statements were prepared in accordance with generally accepted accounting principles, and we reviewed and discussed the consolidated financial statements and key accounting and reporting issues with management and KPMG, both together and separately, in advance of the public release of operating results and filing of annual or quarterly reports with the SEC. We discussed with KPMG matters deemed significant by KPMG, including those matters required to be discussed pursuant to Public Company Accounting Oversight Board Auditing Standard No. 16, *Communications with Audit Committees*, and reviewed a letter from KPMG disclosing such matters.

KPMG also provided us with the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the outside auditors’ communications with the Audit Committee concerning independence, and we discussed with KPMG matters relating to their independence and considered whether their provision of certain non-audit services is compatible with maintaining their



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independence. In the letter, KPMG confirmed its independence, and we determined that KPMG's provision of non-audit services to XPO is compatible with maintaining its independence. We also reviewed a report by KPMG describing the firm's internal quality-control procedures and any material issues raised in the most recent internal quality-control review or external peer review or inspection performed by the Public Company Accounting Oversight Board.

Based on our review with management and KPMG of XPO's audited consolidated financial statements and KPMG's report on such financial statements, and based on the discussions and written disclosures described above and our business judgment, we recommended to the Board of Directors, and the Board approved, that the audited consolidated financial statements be included in XPO's Annual Report on Form 10-K for the year ended December 31, 2015 for filing with the SEC.

Audit Committee:

*Oren G. Shaffer (Chair; member since March 2016)*

*Jason D. Papastavrou (Chair until March 2016)*

*Adrian P. Kingshott*

*Michael G. Jesselson (served on Audit Committee until March 2016)*

### Policy Regarding Pre-Approval of Services Provided by the Outside Auditors

The Audit Committee's charter requires review and pre-approval by the Audit Committee of all audit services provided by our outside auditors and, subject to the *de minimis* exception under applicable SEC rules, all permissible non-audit services provided by our outside auditors. The Audit Committee has delegated to its chair the authority to approve, within guidelines and limits established by the Audit Committee, specific services to be provided by our outside auditors and the fees to be paid. Any such approval must be reported to the Audit Committee at the next scheduled meeting. As required by Section 10A of the Exchange Act, the Audit Committee pre-approved all audit and non-audit services provided by our outside auditors during 2015 and 2014, and the fees paid for such services.

### Services Provided by the Outside Auditors

As described above, the Audit Committee is responsible for the appointment, compensation, oversight, evaluation and termination of our outside auditors. Accordingly, the Audit Committee retained KPMG to serve as our independent registered public accounting firm for fiscal year 2015 on March 23, 2015.

The following table shows the fees for audit and other services provided by KPMG for fiscal years 2015 and 2014.

<u>Fee Category</u>	<u>2015</u>	<u>2014</u>
Audit Fees	\$ 6,500,000	\$ 2,130,000
Audit-Related Fees	2,700,000	2,920,000
Tax Fees	300,000	50,000
All Other Fees	—	—
Total Fees	\$ 9,500,000	\$ 5,100,000

*Audit Fees.* This category includes fees billed for professional services rendered by KPMG for 2015 and 2014 for the audits of our financial statements included in our Annual Report on Form 10-K, and reviews of the financial statements included in our Quarterly Reports on Form 10-Q. Also included within the 2015 and 2014 audit fees are fees for services rendered for the audits of the opening balance sheets of acquisitions during 2015 and 2014 and fees for services that are normally provided by the independent registered public accounting firm in connection with statutory or regulatory filings or engagements, including comfort letters and consents issued in connection with SEC filings.

*Audit-Related Fees.* This category includes fees billed for professional services rendered by the outside auditor for assurance and related services related to the performance of the audit or review of the financial statements that are not disclosed as Audit Fees. The 2015 and 2014 fees include financial due diligence services provided by KPMG in connection with acquisitions and potential acquisitions during 2015 and 2014.

*Tax Fees.* This category includes fees billed for professional services rendered by KPMG in connection with tax due diligence and tax compliance in 2015 and 2014, respectively.

*All Other Fees.* This category represents fees for all other services or products provided that are not covered by the categories above. There were no such fees for 2015 and 2014.

## PROPOSALS TO BE PRESENTED AT THE ANNUAL MEETING

### PROPOSAL 1: ELECTION OF DIRECTORS

After consultation with JPE in view of its rights under the Investment Agreement (as described under “Board of Directors and Corporate Governance—Directors” on page 9), our Board of Directors has nominated for election at the annual meeting each of the following persons to serve until the 2017 annual meeting of stockholders or until their successors are duly elected and qualified:

Bradley S. Jacobs;  
Gena L. Ashe;  
Louis DeJoy;  
Michael G. Jesselson;  
Adrian P. Kingshott;  
Jason D. Papastavrou; and  
Oren G. Shaffer.

Each of the above nominees for director is currently serving as a member of our Board of Directors. Ms. Ashe and Mr. DeJoy joined the Board following last year’s annual meeting of stockholders. Mr. DeJoy was identified by the Board as a director candidate based on his deep industry experience, most recently as leader of our supply chain business in North America. Mr. DeJoy retired from that position in December 2015. Ms. Ashe was identified as a director candidate through a search process conducted by an independent third party engaged by the Board. The search process was undertaken in 2015 to find highly qualified candidates who bring relevant experience and diverse perspectives to the Board. Two of our current nine directors, Mr. G. Chris Andersen and Mr. James J. Martell, are not standing for re-election at the 2016 annual meeting and will retire from the Board of Directors as of the 2016 annual meeting. The Board of Directors has determined to fix the size of the Board of Directors at seven directors effective upon the 2016 annual meeting. Information about the nominees is set forth above under the heading “Board of Directors and Corporate Governance—Directors.”

In the event any of these nominees is unable or declines to serve as a director at the time of the annual meeting, the proxies voting for his or her election will be voted for any nominee who shall be designated by the Board of Directors to fill the vacancy. As of the date of this proxy statement, we are not aware that any of the nominee is unable or will decline to serve as a director if elected.

#### Required Vote

The election of the seven (7) director nominees named in this proxy statement requires the affirmative vote of a majority of the votes cast (meaning the number of shares voted “for” a nominee must exceed the number of shares voted “against” such nominee) by holders of shares of our common stock (including those that would be issued if all our outstanding Series A Preferred Stock had converted into shares of our common stock as of the Record Date). If any incumbent director standing for election receives a greater number of votes “against” his or her election than votes “for” such election, our bylaws require that such person must promptly tender his or her resignation to the Board of Directors.

#### Recommendation

**Our Board recommends a vote “FOR” the election of each of the nominees listed above to our Board of Directors.**

**PROPOSAL 2: RATIFICATION OF THE APPOINTMENT OF KPMG LLP  
AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2016**

The Audit Committee of our Board of Directors has appointed KPMG LLP to serve as our independent registered public accounting firm for the year ending December 31, 2016. KPMG has served in this capacity since June 20, 2011.

We are asking our stockholders to ratify the appointment of KPMG as our independent registered public accounting firm. Although ratification is not required by our bylaws or otherwise, our Board of Directors is submitting the appointment of KPMG to our stockholders for ratification as a matter of good corporate governance. If our stockholders fail to ratify the appointment of KPMG, the Audit Committee will consider whether it is appropriate and advisable to appoint another independent registered public accounting firm. Even if our stockholders ratify the appointment of KPMG, the Audit Committee in its discretion may appoint a different registered public accounting firm at any time if it determines that such a change would be in the best interests of our company and our stockholders.

Representatives of KPMG are expected to be present at the annual meeting and will have an opportunity to make a statement and to respond to appropriate questions.

**Required Vote**

Ratification of the appointment of KPMG as our independent registered public accounting firm for the year ending December 31, 2016 requires the affirmative vote of a majority of the votes cast (meaning the number of shares voted “for” such proposal must exceed the number of shares voted “against” such proposal) by holders of shares of our common stock (including those that would be issued if all our outstanding Series A Preferred Stock had converted into shares of our common stock as of the Record Date) at the annual meeting at which a quorum is present.

**Recommendation**

**Our Board of Directors recommends a vote “FOR” the ratification of the appointment of KPMG as our independent registered public accounting firm for the year ending December 31, 2016.**

### PROPOSAL 3: ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, requires that we provide our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with the compensation disclosure rules of the SEC. Accordingly, we are asking our stockholders to approve the following advisory resolution:

**“RESOLVED**, that the stockholders of XPO Logistics, Inc. (the “Company”) hereby approve, on an advisory basis, the compensation of the Company’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion set forth in the Proxy Statement for the Company’s 2016 Annual Meeting of Stockholders.”

We encourage stockholders to review the Compensation Discussion and Analysis, the compensation tables and the related narrative disclosures included in this proxy statement. As described in detail under the heading “Executive Compensation—Compensation Discussion and Analysis,” we believe that our compensation programs appropriately reward executive performance and align the interests of our named executive officers and key employees with the long-term interests of our stockholders, while also enabling us to attract and retain talented executives.

This resolution, commonly referred to as a “say-on-pay” resolution, is non-binding on our Board of Directors. Although non-binding, our Board of Directors and the Compensation Committee will review and consider the voting results when making future decisions regarding our executive compensation program.

At the 2012 annual meeting of stockholders, our stockholders voted to approve an annual holding of the advisory vote on executive compensation. Accordingly, as previously disclosed by the company, we will hold future, non-binding, advisory votes on executive compensation on an annual basis until the next required non-binding, advisory vote on the frequency of the advisory vote on executive compensation.

#### **Required Vote**

Approval of this resolution, commonly referred to as a “say-on-pay” resolution, requires the affirmative vote of a majority of the votes cast (meaning the number of shares voted “for” such proposal must exceed the number of shares voted “against” such proposal) by holders of shares of our common stock (including those that would be issued if all our outstanding Series A Preferred Stock had converted into shares of our common stock as of the Record Date) at the annual meeting at which a quorum is present.

#### **Recommendation**

**Our Board of Directors recommends a vote “FOR” approval of the advisory resolution to approve executive compensation set forth above.**

## OTHER MATTERS

We do not expect that any matter other than the foregoing proposals will be brought before the annual meeting. If, however, such a matter is properly presented at the annual meeting or any adjournment or postponement of the annual meeting, the persons appointed as proxies will vote as recommended by our Board of Directors or, if no recommendation is given, in accordance with their judgment.

## AVAILABILITY OF ANNUAL REPORT AND PROXY STATEMENT

**If you would like to receive a copy of our 2015 Annual Report or this proxy statement, please contact us at: Investor Relations, XPO Logistics, Inc., Five Greenwich Office Park, Greenwich, Connecticut 06831 or by telephone at (855) 976-6951, and we will send a copy to you without charge.**

### A Note about Our Website

Although we include references to our website ([www.xpo.com](http://www.xpo.com)) throughout this proxy statement, information that is included on our website is not incorporated by reference into, and is not a part of, this proxy statement. Our website address is included as an inactive textual reference only.

We use our website as one means of disclosing material non-public information and for complying with our disclosure obligations under the SEC's Regulation FD. Such disclosures typically will be included within the Investors Relations section of our website. Accordingly, investors should monitor such section of our website, in addition to following our press releases, SEC filings and public conference calls and webcasts.

**Reconciliation of Non-GAAP Measures**  
**XPO Logistics, Inc.**  
**Consolidated Reconciliation of Net Loss to Adjusted EBITDA**  
**(Unaudited)**

(In millions)	Category	Three Months Ended December 31, 2015
Net loss attributable to common shareholders	Net loss attributable to common shareholders	\$ (62.8)
Preferred stock beneficial conversion charge	Preferred stock beneficial conversion charge	—
Preferred dividends	Cumulative preferred dividends	(0.7)
Noncontrolling interests	Net income attributable to noncontrolling interests	1.0
Net loss	Net loss	<u>(63.1)</u>
Debt commitment fees	Interest expense	11.2
Loss on conversion of convertible senior notes	Interest expense	2.0
Other interest expense	Interest expense	82.7
Income tax benefit	Income tax benefit	(69.6)
Accelerated amortization of trade names	Sales, general and administrative expense	—
Other depreciation expense	Cost of transportation and services	50.0
Other depreciation & amortization expense	Direct operating expense	41.7
Other depreciation & amortization expense	Sales, general and administrative expense	81.1
Unrealized hedging gains & losses	Other expense	2.5
<b>EBITDA</b>		<b><u>\$ 138.5</u></b>
Transaction & integration costs	Other expense	—
Transaction & integration costs	Foreign currency loss	—
Transaction & integration costs	Sales, general and administrative expense	76.1
Gain on sale of intermodal equipment	Other expense	(3.5)
Rebranding costs	Sales, general and administrative expense	6.5
<b>Adjusted EBITDA</b>		<b><u>\$ 217.6</u></b>

Adjusted EBITDA was prepared assuming 100% ownership of Norbert Dentressangle.

**Non-GAAP Financial Measures**

This proxy statement contains certain non-GAAP financial measures as defined under Securities and Exchange Commission (“SEC”) rules, such as adjusted earnings (loss) before interest, taxes, depreciation and amortization (“adjusted EBITDA”) for the three-month period ended December 31, 2015. As required by SEC rules, we provide a reconciliation of this measure to the most directly comparable measure under United States generally accepted accounting principles (“GAAP”), which is set forth above. We believe that adjusted EBITDA improves

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comparability from period to period by removing the impact of our capital structure (interest expense from our outstanding debt), asset base (depreciation and amortization), tax consequences, and the nonrecurring expense items noted in the table on the prior page. In addition to its use by management, we believe that adjusted EBITDA is widely used by securities analysts, investors and others to evaluate the financial performance of companies in our industry. Other companies may calculate adjusted EBITDA differently, and therefore our measure may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of financial performance or liquidity under GAAP and should not be considered in isolation or as an alternative to net income, cash flows from operating activities and other measures determined in accordance with GAAP. Items excluded from adjusted EBITDA are significant and necessary components of the operations of our business, and, therefore, adjusted EBITDA should only be used as a supplemental measure of our operating performance.





**IMPORTANT ANNUAL MEETING INFORMATION**

**Electronic Voting Instructions**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by 1:00 a.m., New York City time, on May 11, 2016.**

**Vote by Internet**

- Go to [www.envisionreports.com/XPO](http://www.envisionreports.com/XPO)
- Or scan the QR code with your smartphone
- Follow the steps outlined on the secure website

**Vote by telephone**

- Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone
- Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.



**Annual Meeting Proxy Card**

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

**A** **Proposals** — UNLESS OTHERWISE MARKED, THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE BOARD OF DIRECTORS' RECOMMENDATIONS. THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES LISTED BELOW, AND FOR PROPOSALS 2 AND 3.



1. Election of the nominees listed below to the Board of Directors of the Company.

	For	Against	Abstain		For	Against	Abstain		For	Against	Abstain
01 - Bradley S. Jacobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	02 - Gena L. Ashe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	03 - Louis DeJoy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
04 - Michael G. Jesselson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	05 - Adrian P. Kingshott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	06 - Jason D. Papastavrou	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
07 - Oren G. Shaffer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								

2. Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2016.

For Against Abstain

3. Advisory vote to approve executive compensation.

For Against Abstain

4. In their discretion, on such other matters as may properly come before the Meeting or any adjournment or postponement thereof.

**B** **Authorized Signatures** — This section must be completed for your vote to be counted. — Date and Sign Below

Please date and sign exactly as your name(s) appear(s) hereon. When signing as Executor, Administrator, Trustee, Guardian or Attorney, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized corporate officer. If a partnership, please sign in partnership name by authorized person. Joint owners should each sign.

Date (mm/dd/yyyy) — Please print date below.

Signature 1 — Please keep signature within the box.

Signature 2 — Please keep signature within the box.

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**IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.**

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02BJWD

**YOUR VOTE IS IMPORTANT**

Regardless of whether you plan to attend the Annual Meeting of Stockholders, you can be sure your shares are represented at the Meeting by promptly returning your proxy in the enclosed envelope.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 11, 2016**

This Proxy Statement and our Annual Report on Form 10-K for the Year Ended December 31, 2015 are available at [www.edocumentview.com/XPO](http://www.edocumentview.com/XPO).

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q



Proxy — XPO LOGISTICS, INC.

**PROXY FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 11, 2016**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF XPO LOGISTICS, INC.**

The undersigned hereby acknowledges receipt of the XPO Logistics, Inc. Notice of Annual Meeting and Proxy Statement and hereby constitutes and appoints Bradley S. Jacobs and Gordon E. Devens, and each of them, its true and lawful agents and proxies, with full power of substitution in each, to attend the Annual Meeting of Stockholders of XPO Logistics, Inc. on Wednesday, May 11, 2016, and any adjournment or postponement thereof, and to vote on the matters indicated all the shares of Common Stock, par value \$0.001 per share, or Series A Convertible Perpetual Preferred Stock, par value \$0.001 per share, that the undersigned would be entitled to vote if personally present.

If you plan to attend the Annual Meeting, you can obtain directions to the Delamar Greenwich Harbor Hotel from the hotel's website at <http://www.delamargreenwich.com/greenwich-ct-hotel-location.php>.

**PLEASE MARK, SIGN AND DATE THIS PROXY CARD ON THE REVERSE SIDE AND RETURN IT PROMPTLY USING THE ENCLOSED REPLY ENVELOPE.**

**THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE BOARD OF DIRECTORS' RECOMMENDATIONS.**

**CONTINUED AND TO BE SIGNED ON REVERSE SIDE**

**PLEASE PROMPTLY COMPLETE, DATE, SIGN AND MAIL THIS PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.**

**C Non-Voting Items**

**Change of Address** — Please print new address below.

**Comments** — Please print your comments below.

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**IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.**

