NCR CORP
Form DEF 14A
March 14, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

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

NCR CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

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

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the 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 the 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:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

NOTICE OF 2011 ANNUAL MEETING

AND PROXY STATEMENT

March 14, 2011

Dear Fellow NCR Stockholder:

I am pleased to invite you to attend NCR s 2011 Annual Meeting of Stockholders that will be held on April 27, 2011, at 9:00 a.m. Eastern Time, in the Auditorium at NCR Corporation s office located at 3097 Satellite Boulevard, Duluth, Georgia 30096.

The accompanying notice of the Annual Meeting and proxy statement tell you more about the agenda and procedures for the meeting. They also describe how the Board of Directors operates and provide information about our director candidate, executive officer and director compensation and corporate governance matters. I look forward to sharing more information with you about NCR at the Annual Meeting.

Like the last two years, we are offering to our stockholders the option to receive NCR s proxy materials on the Internet. We believe this option, which we intend to continue to offer in future years, will be preferred by many of our stockholders, as it allows NCR to provide our stockholders the information they need in an environmentally-conscious form and at a reduced cost.

Your vote is important. Whether or not you plan to attend the Annual Meeting, I urge you to authorize your proxy as soon as possible. You may vote by proxy on the Internet or by telephone, or, if you received the proxy materials by mail, you may also vote by mail. Your vote will ensure your representation at the Annual Meeting regardless of whether you attend in person.

Sincerely,

William R. Nuti

Chairman of the Board,

Chief Executive Officer and President

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS OF NCR CORPORATION

Time:

9:00 a.m. Eastern Time

Date:

Wednesday, April 27, 2011

Place:

NCR Corporation

Auditorium

3097 Satellite Boulevard

Duluth, Georgia 30096

Purpose:

Elect the Class C director identified in this proxy statement to hold office for a three-year term or until his respective successor is duly elected and qualified;

Consider and vote upon the ratification of the appointment of the Company s independent registered public accounting firm for 2011;

Consider and vote upon a non-binding advisory vote on executive compensation (Say on Pay) as disclosed in these proxy materials;

Consider and vote upon a non-binding advisory vote on the frequency of future non-binding advisory votes on executive compensation (Say on Pay Frequency);

Consider and vote upon the re-approval of performance goals included in the NCR Corporation 2006 Stock Incentive Plan (as amended and restated effective as of December 31, 2008) for purposes of Section 162(m) of the Internal Revenue Code;

Consider and vote upon the approval of an amendment to individual award limitations included in the NCR Corporation 2006 Stock Incentive Plan (as amended and restated effective as of December 31, 2008);

Consider and vote upon the approval of an amendment to the funding formula in the NCR Management Incentive Plan for the purposes of Section 162(m) of the Internal Revenue Code;

Consider and vote upon the adoption of the NCR Corporation 2011 Economic Profit Plan for the purposes of Section 162(m) of the Internal Revenue Code; and

Transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.

Other Important Information:

Registered holders of NCR common stock at the close of business on February 15, 2011 may vote at the meeting.

Your shares cannot be voted unless they are represented by proxy or in person by the record holder at the meeting. **Even if you plan to attend the meeting, please authorize your proxy.**

By order of the Board of Directors,

Jennifer M. Daniels

Senior *Vice President, General Counsel*

and Secretary

March 14, 2011

Important Notice Regarding the Availability of Proxy Materials for the

Stockholder Meeting to be Held on April 27, 2011

This proxy statement and NCR s 2010 Annual Report on Form 10-K are available at www.proxyvote.com.

NCR Corporation

3097 Satellite Boulevard

Duluth, Georgia 30096

PROXY STATEMENT

GENERAL INFORMATION

These materials are intended to solicit proxies on behalf of the Board of Directors of NCR Corporation, a Maryland corporation (which we refer to as NCR, the Company, we, or us), for the 2011 Annual Meeting of Stockholders, including any adjournment or postponement thereof. The meeting will be convened at 9:00 a.m., Eastern Time, on April 27, 2011, in the Auditorium at NCR s office at 3097 Satellite Boulevard, Duluth, Georgia 30096.

Delivery of Proxy Materials

We are providing access to our proxy materials (including this proxy statement, together with a notice of meeting and the Company s annual report) on the Internet pursuant to rules adopted by the Securities and Exchange Commission (SEC). Accordingly, beginning on or about March 14, 2011, we are sending a Notice of Internet Availability of Proxy Materials (the Notice) to stockholders entitled to vote at the meeting. You may also request a printed copy of the proxy materials by mail. If you do so, these materials will also include the proxy card for the Annual Meeting. To request a printed copy of the proxy materials, please contact us via the Internet (www.proxyvote.com), telephone (1-800-579-1639) or by email (sendmaterial@proxyvote.com) on or before April 13, 2011. If requesting material by email, please send a blank email with the 12-digit Control Number (located on the Notice) in the subject line. Requests, instructions and other inquiries will NOT be forwarded to your investment advisor.

All stockholders will have the ability to access, beginning on March 14, 2011, the proxy materials on a website referred to in the Notice or request to receive a printed copy of the proxy materials at no charge. If you request a printed copy of the proxy materials, we will mail them to you within three business days of your request, at no cost to you. The Notice includes instructions on how to access the electronic proxy materials, as well as instructions for requesting a printed copy. In addition, stockholders may permanently elect to receive future proxy materials in either electronic form by email or printed form by mail. If you make such an election, we will continue to send you the materials pursuant to your election, until you notify us otherwise.

We are taking advantage of the householding rules adopted by the SEC that permit us to deliver only one Notice to stockholders who share an address, unless otherwise requested. This allows us to reduce the expense of delivering duplicate Notices to our stockholders who may have more than one stock account or who share an address with another NCR stockholder. If you have multiple NCR common stock record accounts and/or share an address with a family member who is an NCR stockholder and have received only one Notice, you may write or call us at 3097 Satellite Boulevard, Duluth, Georgia 30096-5810 (phone: 1-800-225-5627), to request separate copies of the proxy materials at no cost to you. If you do not wish to participate in the householding program, please call 1-800-542-1061 to opt-out or revoke your consent.

Stockholders Entitled to Vote at the Meeting

If you were a registered stockholder at the close of business on the record date for the meeting, February 15, 2011, you are entitled to vote at the meeting. There were 160,069,604 shares of common stock outstanding on the record date. You will have one vote on each matter properly brought before the meeting for each share of NCR common stock you own.

Electronic Access to Proxy Materials and Annual Report

The Notice includes instructions regarding how to:

- view your proxy materials for the Annual Meeting on the Internet; and
- instruct us to send you all future proxy materials by email.

If you choose to receive future proxy materials by email, next year you will receive an email with a link to the proxy materials and proxy voting site. Your election to receive future proxy materials by email will remain in effect until you terminate your election. Choosing to receive your future proxy materials by email will save the Company the cost of producing and mailing these documents and reduce the impact of our Annual Meeting on the environment.

How to Vote Your Shares

Your vote is important. Your shares can be voted at the Annual Meeting only if you are present in person or represented by proxy. Even if you plan to attend the meeting, we urge you to authorize your proxy in advance. We encourage you to authorize your proxy electronically by going to the *www.proxyvote.com* website or by calling the toll-free number (for residents of the United States and Canada) listed on your proxy card. Please have your proxy card in hand when going online or calling. ***If you authorize your proxy electronically, you do not need to return your proxy card.*** If you received proxy materials by mail and choose to authorize your proxy by mail, simply mark your proxy card, and then date, sign and return it in the postage-paid envelope provided.

If you hold your shares beneficially in street name, i.e., through a nominee (such as a bank or broker), you may be able to authorize your proxy by telephone or the Internet as well as by mail. You should follow the instructions you receive from your broker or other nominee to vote these shares.

How to Revoke Your Proxy

You may revoke your proxy at any time before it is voted at the meeting by:

- voting again on the Internet or by telephone (only the latest Internet or telephone proxy will be counted);
- properly executing and delivering a later-dated proxy card;
- voting by ballot at the meeting; or

sending a written notice of revocation to the inspectors of election in care of the Corporate Secretary of the Company at 3097 Satellite Boulevard, Duluth, Georgia 30096-5810.

Voting at the Annual Meeting

The method by which you vote and authorize your proxy will in no way limit your right to vote at the meeting if you later decide to vote in person at the meeting. If you hold your shares in street name, you must obtain a proxy executed in your favor from your nominee (such as a bank or broker) to be able to vote at the meeting.

Your shares will be voted at the meeting as directed by your electronic proxy, the instructions on your proxy card or voting instructions if: (1) you are entitled to vote; (2) your proxy was properly executed or properly authorized electronically; (3) we received your proxy prior to the Annual Meeting; and (4) you did not revoke your proxy prior to or at the meeting.

Voting Shares Held in the NCR Savings Plan

If you are a participant in the NCR Savings Plan, your proxy includes any NCR common stock allocated to your plan account. The trustee of this plan will vote the number of shares allocated to your account according to your instructions. If you do not vote your shares in the NCR Savings Plan as instructed above, the trustee will vote unallocated shares, and any allocated shares for which voting instructions are not timely received, in the same proportion of For and Against votes as the shares for which voting instructions were timely received.

Voting Shares Held Under the NCR Direct Stock Purchase and Sale Plan

If you are a participant in the Direct Stock Purchase and Sale Plan (the DSPP) administered by our transfer agent, BNY Mellon Investor Services (Mellon), for NCR, your proxy includes the NCR common stock held in your DSPP account. Mellon, as the DSPP administrator, is the stockholder of record of that plan and will not vote those shares unless you provide it with instructions, which you may do over the Internet, by telephone, or by mail using your proxy card.

Quorum for the Meeting; Votes Required to Approve Each Item

The presence at the meeting (in person or by proxy) of the stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting as of the close of business on February 15, 2011 constitutes a quorum allowing us to conduct business at the meeting. A majority of all the votes cast (in person or by proxy) is required to elect directors, to ratify the appointment of our independent registered public accounting firm, and to approve the non-binding advisory vote on executive compensation, the re-approval of performance goals included in the NCR Corporation 2006 Stock Incentive Plan, the amendment to individual award limitations included in such plan, the amendment to the funding formula in the NCR Management Incentive Plan; and the adoption of the NCR Corporation 2011 Economic Profit Plan. The option of one, two or three years that receives the highest number of votes cast by stockholders will be considered the stockholders recommendation as to the frequency of future non-binding advisory votes on executive compensation. Under Maryland law, broker non-votes and abstentions will have no effect on the outcome of the vote for any item. A broker non-vote occurs when a broker returns a properly executed proxy but does not vote on a particular proposal because the broker does not have the discretionary authority to vote on the proposal and has not received voting instructions from the beneficial owner on the proposal. Under the rules of the New York Stock Exchange (NYSE), brokers have the discretionary authority to vote on the ratification of our independent registered public accounting firm, but not for the election of our directors or any of the other proposals to be voted upon.

Annual Meeting Admission

You may attend the meeting if you are a registered stockholder, a proxy for a registered stockholder, or a beneficial owner of NCR common stock with evidence of ownership. **If you plan to attend the meeting in person, please complete and return to NCR s Corporate Secretary, by mail, the meeting reservation request form provided on the Internet, or, if you received the proxy materials by mail, the form provided on page 97 of this proxy statement. If you are not a record stockholder, please include evidence of your ownership of NCR stock with the form (such as an account statement showing you own NCR stock as of the record date).** If you do not have a reservation for the meeting, you may still attend if we can verify your stock ownership at the meeting.

Annual Meeting Voting Results

We will include the results of the votes taken at the meeting in a current report on Form 8-K filed with the SEC within four business days following the meeting.

The Board s Recommendations

If you authorize your proxy electronically or send a properly executed proxy without specific voting instructions, your shares represented by that proxy will be voted as unanimously recommended by the Board of Directors:

FOR the election of one Class C director nominee;

FOR ratification of the appointment of the Company s independent registered public accounting firm for 2011;

FOR the approval, on a non-binding advisory basis, of executive compensation as disclosed in these proxy materials;

FOR a frequency of each year for future non-binding advisory votes on executive compensation;

FOR the re-approval of performance goals included in the NCR Corporation 2006 Stock Incentive Plan (as amended and restated effective as of December 31, 2008) for purposes of Section 162(m) of the Internal Revenue Code;

FOR the approval of an amendment to individual award limitations included in the NCR Corporation 2006 Stock Incentive Plan (as amended and restated effective as of December 31, 2008);

FOR the approval of an amendment to funding formula in the NCR Management Incentive Plan for the purposes of Section 162(m) of the Internal Revenue Code; and

FOR the adoption of the NCR Corporation 2011 Economic Profit Plan for the purposes of Section 162(m) of the Internal Revenue Code.

STOCK OWNERSHIP

Ownership by Officers and Directors

The following table shows the NCR common stock beneficially owned, as determined under applicable SEC rules, as of February 7, 2011 by (i) each current or former executive officer named in the Summary Compensation Table below on page 44 (the Named Executive Officers), (ii) each non-employee director and nominee and (iii) all current directors and executive officers as a group. Except to the extent indicated in the footnotes below, to NCR s knowledge each person named in the table below has sole voting and investment power over the shares reported. As of February 7, 2011, the Named Executive Officers and the then-current directors and remaining executive officers as a group beneficially owned approximately 2.4% of NCR common stock. Other than Mr. Nuti, who beneficially owned 1.6% of NCR common stock as February 7, 2011, no other individual listed in this table beneficially owned more than 1.0% of NCR common stock as of that date.

Name	Total Shares Beneficially Owned(1)(2)	Shares Covered by Options(3)
Non-Employee Directors		
Quincy L. Allen, Director	43,620	23,578
Edward (Pete) Boykin, Director	135,440	69,262
Richard L. Clemmer, Director	59,407	26,286
Gary J. Daichendt, Director	69,029	33,262
Robert P. DeRodes, Director	53,007	26,286
Linda Fayne Levinson, Independent Lead Director	161,830	81,262
Named Executive Officers		
William R. Nuti, Director and Officer(4)	2,546,337	2,359,687
Robert P. Fishman, Officer	62,011	46,690
John G. Bruno, Officer	191,443	191,443
Peter A. Leav, Officer	114,406	114,406
Peter A. Dorsman, Officer	158,103	132,068
Current Directors, Named Executive Officers and remaining Executive Officers as a Group (14 persons)	3,818,393	3,118,686

(1) Some of NCR s executive officers and directors own fractional shares of NCR stock. For purposes of this table, all fractional shares have been rounded to the nearest whole number. This column also includes 17,803 shares granted to Mr. Allen, 58,178 shares granted to Mr. Boykin and 33,121 shares granted to Mr. Clemmer, all of which were deferred pursuant to the director s election until the time of the director s departure from the Board.

(2) This column includes shares held by NCR s executive officers and directors who have entered into a standard brokerage account form with Fidelity which includes a provision for the pledge of NCR shares owned by such executive officer or director. The pledge applies to all shares listed for each individual in the table above which are held in such individual s Fidelity brokerage account.

(3) This column shows those shares the officers and directors have the right to acquire through stock option exercises within 60 days after February 7, 2011. These shares are also included in the Total Shares Beneficially Owned column.

(4) Mr. Nuti s share ownership includes 91,000 shares that are held in an irrevocable trust.

Other Beneficial Owners of NCR Stock

To the Company s knowledge, as of February 14, 2011 (except as otherwise specified), the following stockholders beneficially own more than 5% of the Company s outstanding stock.

Name and Address of Beneficial Owner	Total Number of Shares	Percent of Class
Greenlight Entities[(1)]	11,468,658	7.2%
140 East 45th Street		
24th Floor		
New York, New York 10017		
BlackRock[(2)]	8,160,073	5.12%
40 East 52nd Street		
New York New York 10022		

(1) Information is based on a Schedule 13G/A filed with the SEC on February 14, 2011 by Greenlight Capital, L.L.C. (Greenlight), Greenlight Capital, Inc. (Greenlight Inc.), DME Management GP, LLC (DME Management), DME Advisors LP (DME Advisors), DME Capital Management, LP (DME Capital Management), DME Advisors GP, LLC (DME Advisors GP) and David Einhorn (collectively, the Greenlight Entities), reporting beneficial ownership of the Company s stock as of December 31, 2010. Greenlight reported shared voting and dispositive power with respect to 4,105,092 of such shares, which are held for the accounts of certain investment funds for which it is the general partner. Greenlight Inc. reported shared voting and dispositive power with respect to 9,145,139 of such shares, which are held for certain accounts for which it acts as investment manager. DME Management reported shared voting and dispositive power with respect to 463,930 of such shares, which are held for the account of an investment fund for which it is the general partner. DME Advisors reported shared voting and dispositive power with respect to 1,612,500 of such shares, which are held for the account of a managed account for which it acts as investment manager. DME Capital Management reported shared voting and dispositive power with respect to 711,019 of such shares, which are held for the account of certain investment funds for which it acts as investment manager. DME Advisors GP, as the general partner of DME Advisors and DME Capital Management, reported shared voting and dispositive power with respect to 2,323,519 of such shares, which are held for certain accounts for which either DME Advisors or DME Capital Management acts as investment manager. David Einhorn, principal of Greenlight, reported shared voting and dispositive power with respect to 11,468,658 shares. This number consists of 4,105,092 shares held for the accounts of certain investment funds for which Greenlight is the general partner; 5,040,047 shares held for an account for which Greenlight Inc. acts as investment manager; 463,930 shares held for the account of an investment fund for which DME Management is general partner; 247,089 shares held for the account of an investment fund for which DME Capital Management acts as investment manager; and 1,612,500 shares held for the account of a managed account for which DME Advisors acts as investment manager. Each of the Greenlight Entities disclaims all such beneficial ownership except to the extent of its pecuniary interest in any shares of the Company s stock.

(2) Information is based on a Schedule 13G/A filed by BlackRock, Inc. (BlackRock) with the SEC on February 7, 2011, reporting beneficial ownership of the Company s stock as of December 31, 2010. According to this filing, BlackRock beneficially owns, has the sole power to vote and to dispose of or direct the disposition of these 8,160,073 shares.

ELECTION OF DIRECTORS

(Item 1 on Proxy Card)

The Board of Directors of NCR (the Board) is currently divided into three classes. Directors hold office for staggered terms of three years (or less if they are filling a vacancy) and until their successors are elected and qualified. One of the three classes is elected each year to succeed the directors whose terms are expiring. The terms for the directors in Classes A, B and C of the Board of Directors expire at the annual meetings of stockholders in 2012, 2013, and 2011, respectively.

Proxies solicited by the Board will be voted for the election of the nominee, unless you withhold your vote on your proxy. The Board has no reason to believe that the nominee will be unable to serve. However, if he should become unavailable, the Board may reduce the size of the Board or designate a substitute nominee. If the Board designates a substitute, shares represented by proxies will be voted for the substitute nominee.

The name, age, principal occupation, other business affiliations and certain other information regarding the nominee for election as a director and each director whose term of office continues is below. The age reported of each director is as of the date of filing of this proxy statement.

The Board of Directors recommends that you vote FOR the following nominee for election as a director.

Proxies received by the Board will be voted FOR this nominee unless they specify otherwise.

Class C Current Term Expiring in 2011 and New Term Expiring in 2014:

Richard L. Clemmer, 59, is President and Chief Executive Officer of NXP B.V., a semiconductor company, a position he has held since January 1, 2009. Prior to that, he was a senior advisor to Kohlberg Kravis Roberts & Co., a private equity firm, a position he held from May 2007 to December 2008. He previously served as President and Chief Executive Officer of Agere Systems Inc., an integrated circuits components company that was acquired in 2007 by LSI Logic Corporation, from October 2005 to April 2007. Prior to this position, Mr. Clemmer served as President and Chief Executive Officer of PurchasePro.com, Inc. While Mr. Clemmer was serving as Chief Executive Officer, PurchasePro.com filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code on September 12, 2002, and, with the bankruptcy court s authorization, completed a sale of substantially all of its assets on January 17, 2003. Mr. Clemmer is also a director of Trident Corporation. Mr. Clemmer became a director of NCR on April 23, 2008. During the past 5 years, Mr. Clemmer was a director of i2 Technologies, Inc. In recommending Mr. Clemmer as a nominee for election as a director of the Company, the Committee on Directors and Governance considered his experience in his position at NXP B.V. and his former positions with Kohlberg Kravis Roberts & Co., and Agere Systems Inc. Mr. Clemmer s demonstrated management experience, independence, and financial literacy were also attributes that led the Committee on Directors and Governance to conclude that his skills would fit with the needs of the Board of Directors.

Directors Whose Terms of Office Continue

Class A Current Terms Expiring in 2012:

William R. Nuti, 47, is NCR s Chairman of the Board, Chief Executive Officer and President. Mr. Nuti became Chairman of the Board on October 1, 2007. Before joining NCR in August 2005, Mr. Nuti served as President and Chief Executive Officer of Symbol Technologies, Inc., an information technology company. Prior to that, he was Chief Operating Officer of Symbol Technologies. Mr. Nuti joined Symbol Technologies in 2002 following a 10 plus year career at Cisco Systems, Inc. where he advanced to the dual role of Senior Vice President of the company s Worldwide Service Provider Operations and U.S. Theater Operations. Prior to his Cisco experience, Mr. Nuti held sales and management positions at International

Business Machines Corporation, Netrix Corporation and Network Equipment Technologies. Mr. Nuti is also a director of Sprint Nextel Corporation, and is a member of its Compensation Committee. Mr. Nuti became a director of NCR on August 7, 2005. In determining that Mr. Nuti should continue serving as a director of the Company, the Committee on Directors and Governance considered his current role as Chief Executive Officer and President of the Company, his experience as a director of another public company, his previous experience as President and Chief Executive Officer of Symbol Technologies, his previous experience as Senior Vice President at Cisco Systems, and the responsibilities associated with these positions. Mr. Nuti s demonstrated management and leadership experience, and global sales and operations experience, were also skills and attributes that led the Committee on Directors and Governance to conclude that his abilities would fit with the needs of the Board of Directors.

Gary J. Daichendt, 59, has been principally occupied as a private investor since June 2005 and has been a managing member of Theory R Properties LLC, a commercial real estate firm, since October 2002. He served as President and Chief Operating Officer of Nortel Networks Corporation, a global supplier of communication equipment, from March 2005 to June 2005. Prior to that and until his retirement in December 2000, Mr. Daichendt served as Executive Vice President, Worldwide Operations for Cisco Systems, Inc. Mr. Daichendt is also Chairman of ShoreTel Inc. Mr. Daichendt became a director of NCR on April 26, 2006. In determining that Mr. Daichendt should continue serving as a director of the Company, the Committee on Directors and Governance considered his previous experience as President and Chief Operating Officer of Nortel Networks Corporation, his previous experience as Executive Vice President, Worldwide Operations, for Cisco Systems, and the responsibilities associated with these positions. Mr. Daichendt s demonstrated management experience, financial literacy and independence were also attributes and skills that led the Committee on Directors and Governance to conclude that his abilities would fit with the needs of the Board of Directors.

Robert P. DeRodes, 60, was Executive Vice President, Global Operations & Technology of First Data Corporation, an electronic commerce and payments company, from October 2008 to July 2010. Prior to this position, Mr. DeRodes served as Executive Vice President and Chief Information Officer for The Home Depot, Inc., a home improvement retailer, from February 2002 to October 2008 and as President and Chief Executive Officer of Delta Technology, Inc. and Chief Information Officer for Delta Air Lines, Inc., from September 1999 until February 2002. Mr. DeRodes became a director of NCR on April 23, 2008. In determining that Mr. DeRodes should continue serving as a director of the Company, the Committee on Directors and Governance considered the scope of his previous experience as Executive Vice President, Global Operations & Technology of First Data Corporation, his previous experience as Executive Vice President and Chief Information Officer for The Home Depot, his previous experience at Delta Technology, Inc. and Delta Air Lines, Inc, and the responsibilities associated with these positions. Mr. DeRodes demonstrated management experience, information technology experience, understanding of the financial services, retail and transportation industries, and independence led the Committee on Directors and Governance to conclude that his abilities would fit with the needs of the Board of Directors.

Class B Current Terms Expiring in 2013:

Quincy L. Allen, 50, was Chief Executive Officer of Vertis Inc., a provider of targeted print advertising and direct marketing solutions to retail and consumer services companies, from April 2009 to December 2010. Prior to this position, Mr. Allen was President, Global Business and Strategic Marketing Group, at Xerox Corporation, a document management technology and services company, from January 2009 to April 2009. Prior to assuming this position, Mr. Allen was President, Production Systems Group, at Xerox from December 2004 until January 2009. From 2003 to 2004, he was Senior Vice President at Xerox Business Group Operations, and from 2001 to 2003, he was Senior Vice President, North American Services and Solutions at Xerox. Mr. Allen was also a director of Gateway Inc. from January 2006 to October 2007, when Gateway was merged with and into a wholly-owned subsidiary of Acer Inc. While Mr. Allen was serving as Chief Executive Officer, Vertis Inc. filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code in November 2010. Mr. Allen became a director of NCR on January 28, 2009. In determining Mr. Allen should continue serving as a director of the Company, the Committee on Directors and Governance considered Mr. Allen s experience as Chief Executive Officer of Vertis Inc., his prior experience with Xerox Corporation, and the responsibilities associated with these positions. Mr. Allen s demonstrated management experience, independence, and financial literacy were also attributes and skills that led the Committee on Directors and Governance to conclude that his abilities would fit with the needs of the Board of Directors**.**

Edward Pete Boykin, 72, was Chair of the Board of Directors of Capital TEN Acquisition Corp., a special purpose acquisition company, from October 2007 to May 2008. He served as President and Chief Operating Officer of Computer Sciences Corporation (CSC), an information technology services company he joined in 1966, from July 2001 to June 2003. Mr. Boykin is also a director of Teradata Corporation. Mr. Boykin became a director of NCR on June 5, 2002. In determining Mr. Boykin should continue serving as a director of the Company, the Committee on Directors and Governance considered Mr. Boykin s independence, and his previous experience at CSC, a multi-billion dollar international company with complex accounting issues, including among other things, his extensive experience evaluating financial statements in his former position as CSC s President and Chief Operating Officer, his past experience managing major acquisitions at CSC, and his former role on CSC s disclosure committee.

Linda Fayne Levinson, 69, was Chair of the Board of Directors of Connexus Corporation (formerly VendareNetblue), an online marketing company, from July 2006 until May 2010 when it was merged into Epic Advertising. From February 2006 through July 2006, Ms. Levinson was Interim Chief Executive Officer and Chair of Vendare Media, a predecessor company to Connexus. Ms. Levinson was a partner at GRP Partners, a private equity investment fund investing in start-up and early-stage retail and electronic commerce companies, from 1997 to December 2004. Prior to that, she was a partner in Wings Partners, a private equity firm, an executive at American Express running its leisure travel and tour business, and a Partner at McKinsey & Co. Ms. Levinson is also a director of DemandTec, Inc., Jacobs Engineering Group Inc., Ingram Micro Inc., and The Western Union Company. Ms. Levinson became a director of NCR on January 1, 1997 and was appointed the Independent Lead Director of the NCR Board of Directors on October 1, 2007. In determining Ms. Levinson should continue as a director of the Company, the Committee on Directors and Governance considered her long experience as a public company director and a committee chair, starting in 1991, and her present experience as a director of DemandTec, Inc., Jacobs Engineering Group Inc., Ingram Micro Inc. and The Western Union Company, as well as her general management experience at American Express and Vendare Media, her strategic experience at McKinsey & Company and her investment experience at GRP Partners and Wings Partners. Ms. Levinson s extensive management and leadership experience, independence, her in-depth knowledge of corporate governance issues and her diversity of perspective were also skills and attributes that led the Committee on Directors and Governance to conclude that her abilities would fit with the needs of the Board of Directors.

ADDITIONAL INFORMATION CONCERNING THE BOARD OF DIRECTORS

The Board of Directors oversees the overall performance of the Company on your behalf. Members of the Board stay informed of the Company s business by participating in Board and committee meetings (including regular executive sessions of the Board), by reviewing materials provided to them prior to meetings and otherwise, and through discussions with the Chief Executive Officer and other members of management and staff.

Corporate Governance

NCR s Board of Directors is elected by the stockholders to govern the affairs of the Company. The Board selects the senior management team, which is charged with conducting the Company s business. Having selected the senior management team, the Board acts as an advisor to senior management and monitors its performance. The Board reviews the Company s strategies, financial objectives and operating plans. It also plans for management succession of the Chief Executive Officer, as well as other senior management positions, and oversees the Company s compliance efforts.

To help discharge its responsibilities, the Board of Directors has adopted Corporate Governance Guidelines on significant corporate governance issues, including, among other things, director independence, committee membership and structure, meetings and executive sessions, and director selection, training and retirement. The Corporate Governance Guidelines, as well as the Board s committee charters, are found under Corporate Governance on the About NCR page of NCR s website at http://www.ncr.com/corpgovernance/guidelines.htm. You also may obtain a written copy of the Corporate Governance Guidelines, or any of the Board s committee charters, by writing to NCR s Corporate Secretary at the address listed on page 16 of this proxy statement.

The Corporate Governance Guidelines reflect, among other things, the belief of the Board of Directors that a substantial majority of its members should be independent, and the Board has established standards to assist it in determining director independence. These standards, which meet, and in some cases exceed, the independence guidelines for directors under the NYSE listing standards are set forth below and are included as Exhibit B to the Corporate Governance Guidelines. Consistent with the Corporate Governance Guidelines, on an annual basis the Board, with input from the Committee on Directors and Governance, determines whether each non-employee Board member is considered independent, taking into account these standards in addition to those other factors it may deem relevant. No director or director nominee may qualify as independent unless the Board affirmatively determines that he or she has no material relationship with the Company (either directly or indirectly) and:

- has not been an employee of the Company or any of its affiliates, or affiliated with the Company, within the past five years;

- has not been affiliated with or an employee of the Company s present or former independent auditors or its affiliates for at least five years after the end of such affiliation or auditing relationship;

- has not for the past five years been a paid advisor, service provider or consultant to the Company or any of its affiliates or to an executive officer of the Company or an employee or owner of a firm that is such a paid advisor, service provider or consultant;

- does not, directly or indirectly, have a material relationship (such as being an executive officer, director, partner, employee or significant stockholder) with a company that has made payments to or received payments from the Company that exceed, in any of the previous three fiscal years, the greater of $1 million or 2% of the other company s consolidated gross revenues;

is not an executive officer or director of a foundation, university or other non-profit entity receiving significant contributions from the Company, including contributions in the previous three years that, in any single fiscal year, exceeded the greater of $1 million or 2% of such charitable organization s consolidated gross revenues;

has not been employed by another corporation that has (or had) an executive officer of the Company on its board of directors during the past five years;

has not received compensation, consulting, advisory or other fees from the Company, other than director compensation and expense reimbursement or compensation for prior service that is not contingent on continued service for the past five years; and

is not and has not been for the past five years, a member of the immediate family of (i) an officer of the Company, (ii) an individual who receives or has received during any twelve-month period more than $120,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service that is not contingent on continued service, (iii) an individual who, with respect to the Company s independent auditors or their affiliates, is a current partner or a current employee personally working on the Company s audit or was a partner or employee and personally worked on the Company s audit, (iv) an individual who is an executive officer of another corporation that has (or had) an executive officer of the Company on its board of directors, (v) an executive officer of a company that has made payment to, or received payments from, the Company in a fiscal year that exceeded the greater of $1 million or 2% of the other company s consolidated gross revenues, or (vi) any director who is not considered an independent director.

NCR s Board of Directors has determined that all of the Company s non-employee directors and nominees, namely Quincy L. Allen, Edward (Pete) Boykin, Richard L. Clemmer, Gary J. Daichendt, Robert P. DeRodes and Linda Fayne Levinson meet these independence standards.

The Board met fourteen times last year. During 2010, each incumbent member of the Board attended 75% or more of the aggregate of (i) the total number of meetings of the Board (held during the period for which such person has been a director) and (ii) the total number of meetings held by all committees of the Board on which such person served (during the periods that such person served). In addition, while the Company has no formal policy regarding director attendance at its annual meeting of stockholders, NCR s directors are encouraged to attend the Company s annual meetings. All of the directors then in office attended the Company s 2010 annual meeting of stockholders.

Board Leadership Structure and Risk Oversight

As set out in the Corporate Governance Guidelines, the Board does not have a guideline on whether the Chairman and Chief Executive Officer roles should be combined, or whether the role of Chairman should be held by a non-employee director. The Corporate Governance Guidelines instead give the Board the flexibility to select a Chairman as it deems best for the Company from time to time. Under the Corporate Governance Guidelines, if the positions of Chairman and Chief Executive Officer are held by the same person, the Board will select a Lead Director from its independent directors. Additionally, the Board has set out the roles of Chairman /CEO and Lead Director in Exhibit C to the Corporate Governance Guidelines.

Currently the Company s Board of Directors has an integrated leadership structure in which William R. Nuti serves in the combined roles of Chairman and Chief Executive Officer, and Linda Fayne Levinson serves as the Board s Lead Director. The Board believes that this structure promotes greater efficiency through more direct communication of critical information between the Company and the Board. In addition, the Chief Executive Officer s extensive knowledge of the Company uniquely qualifies him, in close consultation with the Lead Director, to both lead the Board in discussing strategic matters and assessing risks, and focus the Board on the issues that are most material to the Company. Combining the roles of Chairman and Chief Executive Officer also has allowed the Company to more effectively develop and communicate a unified vision and strategy to the Company s stockholders, employees and customers.

Consistent with the Corporate Governance Guidelines, the Lead Director has broad authority, as follows. The Lead Director: presides at the executive sessions of the non-management directors and at all Board meetings at which the Chairman is not present; serves as liaison between the Chairman and the independent directors; frequently communicates with the Chief Executive Officer; is authorized to call meetings of the independent directors; obtains Board member and management input and, with the Chief Executive Officer, sets the agenda for the Board; approves meeting schedules to assure there is sufficient time for discussion of all agenda items; works with the Chief Executive Officer to ensure that Board members receive the right information on a timely basis; stays current on major risks and focuses the Board members on such risks; molds a cohesive Board; works with the Committee on Directors and Governance to evaluate Board and Committee performance; facilitates communications among directors; assists in recruiting and retention of new Board members; in conjunction with the Chairman and Committee on Directors and Governance, ensures that committee structure and committee assignments are appropriate and effective; works with the Committee on Directors and Governance to ensure outstanding governance processes; leads discussions regarding CEO performance, personal development and compensation; and, if requested by major stockholders of the Company, is available for consultation and direct communication with such stockholders. Additionally, the leadership and oversight of the Board s other independent directors continues to be strong, and further structural balance is provided by the Company s well-established corporate governance policies and practices, including its Corporate Governance Guidelines. Independent directors account for six out of seven of the Board s members, and make up all of the members of the Board s Compensation and Human Resource Committee, Audit Committee and Committee on Directors and Governance. Additionally, among other things, the Board s non-management directors meet regularly in executive session with only the non-management directors present.

The Board has had several years of successful experience with this leadership structure in which the roles of Chairman and Chief Executive Officer are combined and an Independent Lead Director is selected and, taking into account these factors, has determined that this leadership structure is most appropriate and effective for the Company at this time.

The Board s involvement in risk oversight includes receiving regular reports from members of senior management and evaluating areas of material risk to the Company, including operational, financial, legal and regulatory, strategic and reputational risks. The Audit Committee of the Board is responsible for overseeing the assessment of financial risk as well as general risk management programs. In carrying out this responsibility, the Audit Committee regularly evaluates the Company s risk identification, risk management and risk mitigation strategies and practices. In addition, the Audit Committee receives and reviews reports prepared by the Company s Enterprise Risk Management leader on an annual basis. In general, the reports identify, analyze, prioritize and provide the status of major risks to the Company. In addition, the Compensation and Human Resource Committee of the Board regularly considers potential risks related to the Company s compensation programs as discussed below, and the Committee on Directors and Governance also considers risks within the context of its committee charter responsibilities, including legal and regulatory compliance risks. The Audit Committee, Compensation and Human Resource Committee and Committee on Directors and Governance each report at the next meeting of the Board all significant items discussed at each committee meeting, which includes a discussion of items relating to risk oversight. We believe the leadership structure of the Board effectively facilitates risk oversight by the Board as a result of (i) the role of the Board Committees in risk identification and mitigation, (ii) the direct link between management and the Board achieved by having one leader serve as Chairman and Chief Executive Officer, and (iii) the role of our active Independent Lead Director whose duties include ensuring the Board reviews and evaluates major risks to the Company, as well as measures proposed by management to mitigate such risks. These elements work together to ensure an appropriate focus on risk oversight.

Compensation Risk Assessment

The Company has historically maintained a prudent and appropriately risk-balanced approach to its incentive compensation programs to ensure that such programs promote the long-term interests of our stockholders and do not contribute to unnecessary risk-taking, and will continue to do so. The Company, through its Compensation and Human Resource Committee discussed below, regularly engages in a process to evaluate whether its executive and broad-based compensation programs contribute to unnecessary risk-taking and has concluded that the risks arising from these programs are not reasonably likely to have a material adverse effect on the Company. The Committee directly engages its compensation consultant, Frederic W. Cook & Co., Inc. (FWC), to assist the Committee in its evaluation. In accordance with the Committee s direction, FWC performs a compensation risk assessment of the Company s executive and broad-based compensation programs and makes an independent report to the Committee. The risk assessment completed by FWC in 2011 concluded that the Company s executive and broad-based compensation programs do not present any area of significant risk, noting that the plans are well-aligned with the Committee s compensation design principles and that individual business units do not pose a significant risk to the overall enterprise given the interdependence of key business units and the management of cross-enterprise risks. Additionally, the Committee noted in its evaluation that the risk associated with the Company s executive and broad-based compensation programs had decreased over the past year due to the addition of a claw back policy in the Company s global sales incentive plan, and that the Company has implemented a claw back policy (referred to as the Compensation Recovery Policy) and stock ownership guidelines for its directors and officers, each of which further supports the risk-balanced approach to incentive compensation.

Committees of the Board

NCR s Board of Directors has four standing committees: the Audit Committee, the Compensation and Human Resource Committee, the Committee on Directors and Governance and the Executive Committee. The Board of Directors has adopted a written charter for each such committee that sets forth the committee s mission, composition, and responsibilities. Each charter can be found under Corporate Governance on the About NCR page of NCR s website at http://www.ncr.com/about_ncr/corporate_governance/committee_charters.jsp.

The members of each committee as of the end of fiscal 2010 and the number of meetings held in fiscal 2010 are shown below:

Name	**Audit Committee**	**Compensation and Human Resource Committee**	**Committee on Directors and Governance**	**Executive Committee**
Quincy L. Allen	X			
Edward (Pete) Boykin	X*		X	X
Richard L. Clemmer	X			
Gary J. Daichendt		X	X*	X
Robert P. DeRodes		X		
Linda Fayne Levinson		X*	X	X
William R. Nuti				X*
Number of meetings in 2010	8	8	5	0

*Chair

Audit Committee: The Audit Committee is the principal agent of the Board of Directors in overseeing: (i) the quality and integrity of the Company s financial statements; (ii) the assessment of financial risk and risk management programs; (iii) the independence, qualifications, and performance of the Company s independent registered public accounting firm; (iv) the performance of the Company s internal auditors; and (v) the integrity and adequacy of internal controls and the quality and adequacy of disclosures to stockholders. The committee also:

- selects, evaluates, sets compensation for and where appropriate, replaces the Company s independent registered public accounting firm;
- pre-approves all audit and non-audit services to be performed by the Company s independent registered public accounting firm;
- reviews and discusses with the Company s independent registered public accounting firm its services and quality control procedures and the Company s critical accounting policies and practices;
- regularly reviews the scope and results of audits performed by the Company s independent registered public accounting firm and internal auditors;
- prepares the report required by the SEC to be included in the Company s annual proxy statement;
- meets with management to review the adequacy of the Company s internal control framework and its financial, accounting, reporting and disclosure control processes;
- reviews the Company s periodic SEC filings and quarterly earnings releases;
- reviews and discusses with the Company s Chief Executive Officer and Chief Financial Officer the procedures they followed to complete their certifications in connection with NCR s periodic filings with the SEC; and
- discusses management s plans with respect to the Company s major financial risk exposures.

Each member of the Audit Committee is independent and financially literate as determined by the Board under applicable SEC and NYSE standards. In addition, the Board has determined that Messrs. Boykin, Allen and Clemmer are each an audit committee financial expert, as defined under SEC regulations. No member of the committee may receive any compensation, consulting, advisory or other fee from the Company, other than Board compensation described below under the caption Director Compensation, as determined in accordance with applicable SEC and NYSE rules. Members serving on the Audit Committee are limited to serving on no more than two other audit committees of boards of directors of public companies, unless the Board of Directors evaluates and determines that these other commitments would not impair the member s effective service to the Company.

Compensation and Human Resource Committee: This committee provides general oversight of the Company s management compensation philosophy and practices, benefit programs and strategic workforce initiatives and oversees the Company s leadership development plans. In doing so, it reviews and approves the Company s total compensation goals, objectives and programs covering executive officers and key management employees as well as the competitiveness of NCR s total executive officer compensation practices. The committee also:

- evaluates and reviews the performance levels of the Company s executive officers and determines base salaries, equity awards, incentive awards and other compensation for such officers;

discusses its evaluation of, and determination of compensation to, the Chief Executive Officer at executive sessions of the Board of Directors;

reviews and recommends to the Board of Directors for approval, the Company s executive compensation plans;

reviews and approves employment, severance, change-in-control and similar agreements and arrangements for the Company s executive officers;

reviews management s proposals to make significant organizational changes or significant changes to existing executive officer compensation plans; and

oversees the Company s plans for management succession and development.

This committee may delegate its authority to the Company s Chief Executive Officer to make equity awards to individuals other than executive officers in limited instances.

This committee is authorized to and has directly engaged its compensation consultant, Frederic W. Cook & Co., Inc., to review the Company s long-term incentive program, the Management Incentive Plan and other key programs related to the compensation of executive officers. In 2010, the committee directed its consultant to: provide a competitive assessment of our executive compensation programs relative to our compensation philosophy: review our compensation peer group companies: provide expert advice regarding compensation matters for our executive officers, including our Chief Executive Officer; provide information about competitive market rates; assist in the design of the variable incentive plans and the establishment of performance goals; assist in the design of other compensation programs and perquisites; assist with Section 162(m) and Section 409A compliance, disclosure matters, and other technical matters; and conduct a risk assessment of the Company s compensation programs and be readily available for consultation with this committee and its members regarding such matters.

The Board of Directors has determined that each member of the committee is independent.

Committee on Directors and Governance: This committee is responsible for reviewing the Board s corporate governance practices and procedures, including the review and approval of each related party transaction under the Company s Related Person Transaction Policy (unless the committee determines that the approval or ratification of such transaction should be considered by all of the disinterested members of the Board of Directors), and the Company s ethics and compliance program, and:

establishes procedures for evaluating the performance of the Board of Directors and oversees such evaluation;

reviews and makes recommendations to the Board concerning director compensation; and

reviews the composition of the Board of Directors and the qualifications of persons identified as prospective directors, recommends the candidates to be nominated for election as directors, and, in the event of a vacancy on the Board, recommends any successors.

This committee is authorized to engage consultants to review the Company s director compensation program. In 2010, the committee engaged Semler Brossy Consulting Group, LLC to conduct market studies, review publicly available market data to assess compensation levels and structure for non-employee directors of the Company, including Board and committee retainers, meeting fees, committee chair fees, lead director compensation, and annual equity grants.

The Board of Directors has determined that each member of the Committee on Directors and Governance is independent.

Executive Committee: This committee has the authority to exercise all powers of the full Board of Directors, except those prohibited by applicable law, such as amending the Bylaws or approving a merger that requires stockholder approval. This committee meets between regular

Board meetings if urgent action is required.

Selection of Nominees for Directors

The Committee on Directors and Governance and our other directors are responsible for recommending nominees for membership to the Board and the director selection process is described in detail in the Board s

Corporate Governance Guidelines. In determining candidates for nomination, the Committee on Directors and Governance will seek the input of the Chairman of the Board and the Chief Executive Officer, and, in the event the positions of Chairman of the Board and Chief Executive Officer are held by the same person, the Independent Lead Director, and will consider individuals recommended for Board membership by the Company s stockholders in accordance with the Company s Bylaws and applicable law.

The Board s Corporate Governance Guidelines include director qualification guidelines for directors standing for re-election and new candidates for membership on the Board. All candidates are evaluated by the Committee on Directors and Governance using these qualification guidelines. In accordance with the guidelines, as part of the selection process, the committee examines candidates business skills and experience (including financial literacy), independence, demonstrated leadership, personal integrity, judgment, and ability to devote the appropriate amount of time and energy to serving the best interests of stockholders. The committee also considers those other factors it may deem relevant, including the needs of the Board and other attributes of the candidate. In addition, although there is no specific policy on considering diversity, the Board and the Committee on Directors and Governance believe that Board membership should reflect diversity in its broadest sense, including persons diverse in geography, gender, ethnicity, experience, functional background and professional experience. The Board and the Committee on Directors and Governance are committed to finding proven leaders who are qualified to serve as NCR directors.

From time to time, the committee may engage outside search firms to assist it in identifying and contacting qualified candidates. The Committee on Directors and Governance did not engage a search firm to identify qualified candidates for the Board of Directors during 2010 or 2009. In 2008, the Committee on Directors and Governance engaged Egon Zehnder International to assist in identifying qualified candidates for open Class A, Class B and Class C Director positions. The committee selected Messrs. Quincy Allen, Robert DeRodes, and Richard Clemmer, each of whom was recommended by Egon Zehnder International, for these open positions.

Stockholders wishing to recommend individuals for consideration as directors should contact the Committee on Directors and Governance by writing to the Company s Corporate Secretary at NCR Corporation, 3097 Satellite Boulevard, Duluth, Georgia 30096. Recommendations by stockholders that are made in this manner will be evaluated in the same manner as other candidates. Stockholders who want to nominate directors for election at NCR s next annual meeting of stockholders must follow the procedures described in the Company s Bylaws, which are available under Corporate Governance on the About NCR page of NCR s website at http://www.ncr.com/about_ncr/corporate_governance/incorporation_and_bylaws.jsp. See Procedures for Stockholder Proposals and Nominations on page 96 of this proxy statement for further details regarding how to nominate directors.

The director nominated by the Board of Directors for election at the 2011 Annual Meeting was recommended by the Committee on Directors and Governance for election at the Annual Meeting. This candidate for election is currently serving as a director of the Company and has been determined by the Board to be independent.

Communications with Directors

Stockholders or interested parties wishing to communicate directly with NCR s Board of Directors, any individual director, the Chairman of the Board, or NCR s non-management or independent directors as a group are welcome to do so by writing NCR s Corporate Secretary at 3097 Satellite Boulevard, Duluth, Georgia 30096. The Corporate Secretary will forward appropriate communications. Any matters reported by stockholders relating to NCR s accounting, internal accounting controls or auditing matters will be referred to members of the Audit Committee as appropriate. Anonymous and/or confidential communications with the Board of Directors may also be made by writing to this address. For more information on how to contact NCR s Board, please see the Company s Corporate Governance website at http://www.ncr.com/corpgovernance/corpgov_contact.htm.

Code of Conduct

The Company has a Code of Conduct that sets the standard for ethics and compliance for all of its employees. NCR s Code of Conduct is available on the Company s Corporate Governance website at http://www.ncr.com/about_ncr/ corporate_governance/code_of_conduct.jsp. To receive a copy of the Code of Conduct, please send a written request to the Corporate Secretary at the address provided above.

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, the Company is required to report in this proxy statement any failure to file or late filing occurring during the fiscal year ended December 31, 2010. Based solely on a review of filings furnished to the Company and other information from reporting persons, the Company believes that all of these filing requirements were satisfied by its directors, officers, and 10% beneficial owners, with two exceptions as follows. Due to an administrative error, one late filing was effected for Linda Fayne Levinson with respect to a stock award for 122 shares granted to Ms. Levinson in February 2010 in connection with her appointment as Chair of the Compensation and Human Resource Committee due to the resignation of its previous Chair. In addition, due to an administrative error, one late filing was effected for Robert Fishman with respect to a restricted stock unit award representing 7,857 common shares granted to Mr. Fishman in October 2009.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

In this *Compensation Discussion and Analysis*, we provide an overview of the Company s executive compensation program, including a discussion of the compensation philosophy of the Compensation and Human Resource Committee of our Board of Directors (the Committee). We also review the material elements of the compensation opportunity offered to our Named Executive Officers (defined below) for the 2010 performance year, review decisions made by the Committee in the context of our compensation philosophy, summarize Company performance achieved in 2010 against critical objectives, analyze compensation earned by our executives relative to performance achieved, and finally, describe the key actions taken in 2011 with respect to compensation of our executives.

For a more detailed description of the Committee s authority, duties and responsibilities, refer to the Compensation and Human Resource Committee charter which is located on the Corporate Governance section of the Company s website at www.ncr.com.

Named Executive Officers

Our named executive officers (the Named Executive Officers or NEOs) discussed in this *Compensation Discussion and Analysis* and the related compensation tables are the following executive officers of the Company:

Name	Executive Leadership Role
William R. Nuti	Chairman of the Board, Chief Executive Officer and President
Robert P. Fishman	Senior Vice President and Chief Financial Officer
John G. Bruno	Executive Vice President, Industry Solutions Group
Peter A. Leav	Senior Vice President, Global Sales
Peter A. Dorsman	Senior Vice President, Global Operations

The Committee retains the sole authority to make all compensation-related decisions for the Company s executive officers (commonly referred to in this *Compensation Discussion and Analysis* as executives), including our Named Executive Officers.

Executive Summary

2010 Financial Highlights. After a challenging 2009, and despite the continuing global economic uncertainty, the Company was able to achieve above-plan financial results and complete key operational milestones summarized as follows:

Revenue increased to $4.8 billion for 2010, representing a growth of 5% over 2009.

Non-Pension Operating Income (NPOI) increased to $332.7 million for 2010, representing a 17% increase over 2009 and exceeding analyst expectations in each quarter in 2010.

NCR s stock price was up 38% over 2009 (based on the year-over-year closing price on December 31).

Highlights of Committee Actions in 2010. In addition to carrying out the normal authority, duties and responsibilities outlined in the charter, the Committee addressed the following key matters during the 2010 fiscal year:

- Approved the 2010 Annual Incentive Plan and Annual Long-Term Incentive Plan performance objectives consistent with aggressive, but achievable operating performance goals for the management team for 2010.

- Certified that the 2009 Performance-Based Restricted Stock Unit awards would not vest because the discretionary performance objective for the 2009 Annual Long-Term Incentive Plan did not achieve the threshold level of performance (0% payout).

- Approved special Chairman s Recognition & Retention awards in 2010 for certain executives, including our Named Executive Officers, to retain key contributors to the Company and reward the exceptional performance of individuals, who despite their significant efforts to help the Company achieve results, did not receive either a cash bonus or long-term incentive award payout for the 2009 performance year. NCR did not pay a bonus for the 2009 fiscal year to any Named Executive Officer with the exception of Peter Dorsman, who received a discretionary bonus to recognize his efforts associated with the build-out of two new manufacturing plants during the year. Our Chairman, CEO and President, Bill Nuti, had proactively requested, and the Committee agreed, to cancel his bonus in February 2009 regardless of Company performance during the 2009 fiscal year.

- Approved an amendment to the Change-In-Control Severance Plan to eliminate tax-gross ups for new participants in the plan, which was subsequently recommended to and approved by the Board of Directors.

- Conducted a compensation-risk assessment of the Company s executive and broad-based compensation programs, determining that such programs do not present any area of significant risk and that the level of risk of such programs decreased in 2010 due to the changes in the Company s plans.

Pay-for-Performance Assessment. Given our compensation philosophy and framework, supporting pay practices and principles, and our incentive plan designs where a substantial portion of compensation for our executives is both performance-based and at-risk of forfeiture each year contingent on the management team meeting and exceeding their annual and long-term financial plan objectives, we believe our compensation programs create tremendous commonality of interest between our executive team and stockholders for driving sustainable, long-term value creation and stock price appreciation.

Our self-assessment of the pay-for-performance aspects of our compensation programs for the executive team is best demonstrated with the following highlights:

- We constantly monitor and take actions to adopt best-practices, and also eliminate/prohibit poor pay practices that are inappropriate for the Company or in conflict with our pay-for-performance culture (see tables on page 22)

- Our compensation philosophy dictates that a substantial portion of our compensation is performance-based. For 2010, 48% of the CEO s pay was performance based and 46% (on average) of the other NEOs pay was performance based (see also the Performance Compensation Mix narrative on page 36).

- A substantial portion of our executive compensation remains at risk of forfeiture each year contingent on the management team meeting and exceeding their annual and long-term financial plan objectives. This was demonstrated in 2009 when all bonus payouts were cancelled based on below-target results in a challenging economic environment (as outlined above). Additionally, both the 2008 and 2009 Performance-Based Restricted Stock Units granted as part of the Annual LTI Awards in those respective years were cancelled for not meeting the minimum NPOICC (as defined below) objectives established for these awards (see the narrative on page 34 under Update on Prior-Year Performance Based Restricted Stock Unit Awards).

While we strive to offer fully-competitive target pay opportunities for each executive to recognize the experience, industry expertise and leadership each of them brings to the Company (as outlined in the table on page 25), the actual pay received or realized by each executive is highly dependent on the ability of the management team to achieve above-plan financial results and meet key operational milestones over an extended period of time or their actual pay received can be substantially above or below market. This is demonstrated more clearly in the Pay-for-Performance Assessment section below (see the narrative on page 37 under Granted Value vs. Realized Value) where the correlation between the actual pay received by the CEO versus the target pay opportunity granted for years 2008, 2009 and 2010 is compared to both Company performance and total shareholder return (TSR) versus our peer group each year. This analysis validates the strong pay-for-performance aspect of our executive compensation programs.

Executive Compensation Philosophy and Framework

Executive Compensation Philosophy. NCR has an innovative and highly performance-based approach to compensation. Rewarding for results is how we enable a pay-for-performance culture, which is the primary objective of our compensation philosophy. Our compensation programs are designed to significantly reward executives for achieving and exceeding our strategic business and financial goals. Where applicable, and under very careful inspection, we also take into account areas that impact stockholder performance which are not under the direct control of our executive team (for example, macro discount rate impact on pension). That said, our compensation programs are specifically designed to financially penalize executives when we fail to achieve our strategic goals and/or fail to deliver results. Our compensation programs are also designed to reward performance at or above market median based on actual results.

In addition to enabling a pay-for-performance culture, our executive compensation programs focus on three key objectives:

(1) *Attract, Retain and Motivate High-Quality Talent*;

(2) *Establish a Common Interest between our Executives and Stockholders*; and

(3) *Adopt Competitive, Best-Practice Compensation Programs Appropriate for the Company*.

These objectives and supporting principles establish a compensation framework the Committee uses to evaluate and develop our compensation programs, and the individual pay decisions for our executives.

Key Compensation Objective	Compensation Framework/Supporting Principles
Attract, Retain and Motivate High-Quality Talent	Provide a competitive pay opportunity where compensation is generally targeted at the market median of our peer group
	Provide actual target compensation that is fully-competitive to attract the right experience and quality of talent in key leadership roles to best achieve our strategic objectives
	Offer performance-based compensation programs designed to reward executives with payouts that are differentiated as a result of both Company and individual results
	Require multi-year vesting schedules as a condition to receiving payouts on long-term incentive awards to encourage retention of our executives over vesting periods
Establish a Common Interest between our Executives and Stockholders	Design incentive compensation plans to ensure a strong correlation between an executive s total compensation earned, and the long-term operating performance of the Company
	Establish a pay-mix where a significant portion of pay is at risk where realized payouts are dependent upon both the Company and the individual executive performing at or above established goals
	Design short-term and long-term incentive plans that are primarily performance-based to drive the successful attainment of both individual executive and Company-level objectives
	Establish long-term incentive plans that are primarily delivered in the form of equity to align the interests of our executives with our stockholders
Adopt Competitive, Best-Practice Compensation Programs appropriate for the Company	Evaluate trends and best practices to remain competitive within our peer group and general industry
	Adopt compensation practices that are consistent with our objective to enable a pay-for-performance culture

Monitor executive stock ownership and establish policies that balance both share retention and financial flexibility for executives

Design executive compensation programs to discourage unnecessary risk taking

Generally design programs that maximize tax-deductibility where possible and in the best interests of our stockholders

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Review of Competitive and Appropriate Pay Practices. The Committee regularly evaluates our compensation programs to ensure they are consistent with the short-term and long-term goals of both the Company and our stockholders given the dynamic nature of our business and the market where we compete for talent. Following is a summary of our current pay practices and also the eliminated/prohibited pay practices that were approved by the Committee and put in place by the Company:

Current/Best Pay Practices	**Eliminated/Prohibited Pay Practices**
Pay-for-Performance program designs where a significant portion of compensation remains at-risk based on Company performance and is also equity-based to create alignment between executives and stockholders	Eliminated the excise tax gross-ups for new participants in the Company s Change-in-Control Severance Policy
A compensation recovery policy applicable to all executives who receive long-term incentive compensation (in addition to our executives) in the event of a financial restatement	Prohibited tax gross-ups on any perquisites other than standard relocation benefits
Executive stock ownership guidelines that encourage our executives to accumulate a substantial stake in the common stock of our Company	Froze all non-qualified pension/retirement benefits and no special pension arrangements are offered to any new hires (prior service credits are also prohibited), including our executives

Role of Compensation Consultant and Chief Executive Officer. The Committee considers recommendations from its independent compensation consultant, Frederic W. Cook & Co., Inc. (FWC), as well as Mr. Nuti, our Chairman of the Board, Chief Executive Officer and President (whom we refer to as our CEO) in making executive compensation decisions.

Role of Compensation Consultant. The Committee engaged FWC as its compensation consultant. FWC is independent of the Company s management, reports directly to the Committee, and has no economic relationships with the Company other than its role advising the Committee. FWC provided the following advisory services to the Committee during 2010:

Provided a competitive assessment of our executive compensation programs relative to our compensation philosophy;

Reviewed our compensation peer group companies for 2010;

Provided the Committee expert advice regarding compensation matters for our executives, including the CEO;

Provided information about competitive market rates, compensation trends and best practices;

Assisted in the design of the variable incentive plans and the establishment of performance goals, and the design of other compensation programs and perquisites; and

Assisted with Section 162(m) and Section 409A compliance, disclosure and other technical matters.

FWC also provides the Committee with a thorough analysis of the CEO s pay profile, both historically and in comparison to the Company s peer group. The Committee uses this analysis in conjunction with tally sheets to evaluate the CEO s compensation. The CEO is never present during these discussions and is not provided a copy of FWC s report.

Role of Chief Executive Officer. Our CEO attends each Committee meeting and participates in the general discussion at those meetings. The CEO also presents recommendations to the Committee on specific compensation actions for executives, other than for himself, which include:

Recommendations on compensation packages and benefits for new and existing executives for Committee approval;

Assessment of performance for key executive talent as it relates to their development needs, their compensation and also as it relates to the long-term succession planning for the Company;

Recommendations on financial performance metrics to be used to determine short-term and long-term incentive compensation for all executives; and

Recommendations on the review and design of our various executive compensation programs.

Although our CEO provides written input regarding his performance by establishing annual objectives at the beginning of the year in conjunction with the Committee and the Board and providing the Committee and the Board a self-evaluation at the end of the year, neither he nor any member of management makes any recommendation to the Committee regarding his compensation.

External Analysis Peer Group Analysis and Market Surveys. We use several methods to examine the various elements of our executive compensation program to determine the competitive market and understand current compensation practices. In general, the Committee considers the median of the peer group data described below when establishing base salary, annual incentive and long-term incentive opportunities. However, the Committee retains the flexibility to make adjustments in order to respond to market conditions, promotions, individual performance and internal equity. The Committee also considers key business decisions that can impact compensation. As an example, in 2007, NCR completed a spin-off of a division of the Company into its own independent, publicly-held company now known as Teradata Corporation. Teradata, once a line-of-business within NCR, has a market capitalization of approximately $7.0 billion and sales of approximately $1.8 billion. Many of the executives at NCR in 2007, including our CEO, were running a company that was significantly larger and therefore compared to a peer group of larger companies than our current peer group. Penalizing these executives for making a good decision on behalf of stockholders is not our intent, but managing compensation to be consistent with our current peer group is our goal. The Committee also reviews broad-based survey data for the positions below the CEO level where proxy data may not be available.

Compensation Peer Group. FWC generally leads the effort to develop and present peer group data used by the Committee. FWC s typical independent analysis includes an examination of the cash and equity elements of compensation for the five most highly compensated executives in each peer company and a comparison of the Company s similarly ranked Named Executive Officers to the lower, median and upper quartiles of the entire group. The analysis also includes comprehensive modeling of long-term incentive costs and resulting levels of stockholder value transfer and dilution, which the Committee considers when developing the aggregate annual budget for equity compensation awards.

The unique combination of industries represented by our core business creates challenges in identifying comparable companies for executive compensation benchmarking. We select our peer group by examining other companies in terms of industry, size and recruiting by looking at companies in our GICS (Global Industry Classification Standard) industry group that are of reasonably similar size based on annual revenue, market capitalization, operating income and number of employees. In addition, we look at variances to these metrics based on unique circumstances (for example, the impact of pension income and/or expense). We also consider other companies outside our GICS industry group with which we compete for talent.

We review our peer group at least once per year to ensure it continues to reflect the parameters originally outlined. There were no changes to our compensation peer group for 2010, which consisted of the companies listed below:

Compensation Peer Group Companies for 2010		
Agilent Technologies, Inc.	Commscope, Inc	Diebold, Incorporated
DST Systems, Inc.	EMC Corporation	Fiserv, Inc.
Harris Corporation	Imation Corp.	Juniper Networks, Inc.
Lexmark International, Inc.	Logitech International SA	NetApp, Inc.
Pitney Bowes Inc.	SanDisk Corporation	Seagate Technology
Symantec Corporation	Tellabs, Inc.	Western Digital Corporation

Broad-Based Market Surveys. Management generally prepares an analysis for the Committee that compares the compensation of our executives against that of similar roles found in broad-based publicly available executive compensation market surveys so that the Committee can understand current market trends and practices. In 2010, management used multiple surveys as described in the table below for this analysis including surveys concentrated on companies in both general and high-tech industries, which included the Company s competitors and non-competitors. The broad-based surveys are global in nature which enables us to obtain salary structure market data in numerous countries under a consistent methodology to understand market trends and practices.

Broad-Based Market Survey Provider	Participating Company Revenue	Number of Participating Companies	Survey Group General Industry	Survey Group High-Tech Industry
Towers Watson Compensation Data Base (CDB) High-Tech Executive Database	$ 3.0B to $10.0B	101		X
Hewitt Total Compensation Management Executive Survey	$ 3.0B to $7.0B	523	X	
Radford Global Technology Survey	$ 3.0B to $7.0B	932		X

Compensation Benchmarking and Competitive Assessment. FWC prepared a comprehensive analysis and assessment of the competitive position of the compensation for our executives relative to our peer group companies (and broad-based market survey data when appropriate) which is summarized as follows:

Name	2010 Compensation Benchmark		Competitive Position of Target Compensation	Rationale for Current Competitive Position
	Peer Group Proxy Data	General Survey Data		
William Nuti	Chief Executive Officer (100%)	Chief Executive Officer (0%)	At/Above 75th Percentile	Aligned with incumbent s experience/success leading a $5.0B to $10.0B enterprise and the Board s determination to retain a CEO with the capability of leading a much larger company.
Robert Fishman	Chief Financial Officer (100%)	Chief Financial Officer (0%)	Below Median	New to role. Multi-year plan developed to align with market median based on performance.
John Bruno	2nd Highest Paid (50%)	Chief Operating Officer (50%)	Between Median and 75th percentile	Aligned with incumbent s vision/leadership delivering innovative product solutions.
Peter Leav	3rd Highest Paid (50%)	Top Sales Role (50%)	At Median	Aligned for achieving expected results, with significant upside for exceeding our global sales goals.
Peter Dorsman	5th Highest Paid (50%)	Top Manufacturing Role (50%)	Between Median and 75th percentile	Aligned with incumbent s vision/ extensive experience delivering market-leading production costs.

Internal Analysis Tally Sheets and Internal Equity. In addition to reviewing the market data described above, the Committee also reviews various internal analyses described below.

Tally Sheets. At each regular Committee meeting, the Committee reviews tally sheets prepared by management when considering compensation changes for our executives. To provide a snapshot of the total compensation opportunity provided to each executive, our tally sheets are used by the Committee to review the degree to which current, historic and projected compensation, including unvested equity awards and separation benefits, support the Company s retention objectives. The Committee uses the data in the tally sheets to gauge actual and projected wealth accumulation levels. The tally sheets are also used to compare year-over-year compensation as part of the process of setting compensation for the next year.

Internal Equity. In addition to the tally sheets, management prepares an overview of each executive s base salary, annual incentive targets, and long-term incentive awards in comparison to internal peers. To maintain fairness throughout the executive ranks, we strive to ensure a level of consistency in compensation with differences based on the degree of judgment and strategic nature of the role of the executive, as well as each executive s individual performance.

We regularly analyze the relationship between our CEO s compensation to the compensation of our other Named Executive Officers. The relationship of our CEO s actual compensation to the next highest-paid Named Executive Officer, John Bruno, is summarized as follows:

Relationship of CEO Pay to the Next Highest Paid Named Executive Officer

Compensation Elements	2009	2010
Base Salary	1.3 times	1.3 times
Cash Compensation[1]	1.3 times	1.6 times
Cash Compensation + Equity[2]	3.0 times	2.0 times

(1) Represents base salary and annual cash incentive awards paid for the performance year.

(2) Equity represents the grant date fair value of all awards granted during the performance year.

Our CEO is compensated at higher Cash Compensation and equity levels than the other Named Executive Officers to reflect his additional role as Chairman, overall leadership responsibility, the market rate of compensation for CEO talent, the strategic nature of his position as the senior executive leading the organization, the extent and scope of his responsibilities, his performance and the judgment that he brings to his position. However, in 2010 the Committee positioned Mr. Bruno s total compensation opportunity to reflect the increased responsibilities of his role and as a result the variation between Mr. Nuti and Mr. Bruno s pay narrowed in 2010.

Overview of Compensation Elements

The table below summarizes the material elements of our current compensation and benefit programs, our compensation policies provided during 2010, and how each element supports the Company s executive compensation philosophy:

Compensation Element	Program Description	Link to Compensation Philosophy
Annual Base Salary	Fixed Compensation	Provide competitive pay opportunity
Annual Incentive Plan	Management Incentive Plan (MIP): Short-term incentive plan that provides annual cash payouts between 0% and 200% of each executives bonus target based on performance against objectives MIP Performance Metric: Plan payout of 1.5% and .75% of earnings before income taxes for the CEO and other NEOs, respectively 2010 Discretionary Objective: Payout earned between 25% and 200% of the target bonus for each NEO based on the achievement of Non-Pension Operating Income after Capital Charge (NPOICC) above threshold Customer Success Plan: 10% bonus target where the payout is make or miss (0% or 100%) linked to Customer Success results	Provide competitive pay opportunity Offer short-term, performance-based incentive plan where payout is at risk Enable pay-for-performance culture by providing motivation for executives to achieve annual performance objectives
Annual Long-Term Incentive Plan	Performance-Based Restricted Stock Unit Award (75%): Performance stock units that will vest on December 31, 2012, with a payout between 0% and 150% of the target award based on Company performance against objectives LTI Performance Metric: 20% Return on Capital 2010 Discretionary Objective: Vesting earned between 25% and 150% of the target award based on the achievement of Non-Pension Operating Income after Capital Charge (NPOICC) above threshold Stock Option Award (25%): Option exercise price is set at fair market value on the grant date, vests evenly over four years, with a 10-year term	Provide competitive pay opportunity Offer long-term, performance-based incentive opportunities where a substantial portion of the payout is at risk based on performance results Offer equity-based compensation to establish a link to stockholders Enable pay-for-performance culture

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Compensation Element	Program Description	Link to Compensation Philosophy
Ad Hoc Long-Term Incentive Awards (for new hire/promotion and retention awards)	Performance-Based Restricted Stock Unit Award (75%): Performance stock units that will vest on the three-year anniversary of the grant date, where the payout is make or miss (0% or 100%) based on achievement of a threshold NPOI objective	Provide competitive pay opportunity Offer long-term, performance-based incentive plan where payout is at risk
	Stock Option Award (25%): Option exercise price is set at fair market value on the grant date, vests evenly over four years, with a ten-year term; *or,*	Offer equity-based compensation to establish a link to stockholders
	Time-base Restricted Stock Unit Award: Vesting between one and four years from the grant date	Enable pay-for-performance culture
Benefits and Perquisites	Retirement Benefit Plans	Provide competitive programs appropriate for the Company (see Executive Perquisites on page 37)
	Executive Medical Exam Program	Provide programs and benefits consistent with best-practices where appropriate for the Company
	Financial Counseling Program	
	Change-in-Control (CIC) Severance Plan	
	Severance Benefits (non-CIC separations)	
	Productivity and Safety Perquisites: Limited Aircraft Usage, Security Expenses, and occasional Lodging/Meal Expenses for business productivity	
Compensation Policies	Compensation Recovery Policy	Provide appropriate competitive programs, consistent with best-practices
	Executive Stock Ownership Guidelines	Discourage excessive risk-taking Monitor executive stock ownership to maintain alignment with stockholders

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The elements of the executive compensation program have been designed to achieve both short-term and long-term Company performance objectives. All elements are considered when making compensation decisions since each element impacts the others. In determining the appropriate mix of compensation elements, we strive to balance the focus on short-term and long-term goals, while maximizing the use of performance-based compensation elements. The use of variable pay (programs where pay is at risk) establishes commonality of interest between our executives and our stockholders.

Analysis of 2010 Compensation Decisions

Annual Base Salary

We strive to set base salaries at a level competitive with our peer group. By doing so, we are able to attract and retain top quality executive talent and ensure that our overall fixed costs are kept at a reasonable level. The Committee reviewed and approved the following base salary actions during 2010:

Named Executive Officer	Base Salary on January 1, 2010	Base Salary Increase%	Salary Action Effective Date	New Base Salary	Rationale for Base Salary Action
William Nuti	$1,000,000	0.0%	August 8, 2005	$1,000,000	No change competitive
Robert Fishman	$240,000	+66.67%	March 14, 2010	$400,000	Increase for promotion to CFO and SVP role
John Bruno	$750,000	0.0%	November 29, 2008	$750,000	No change competitive
Peter Leav	$450,000	+5.6%	February 23, 2010	$475,000	Merit increase based on individual performance
Peter Dorsman	$380,000	+6.6%	February 23, 2010	$405,000	Merit increase based on individual performance

Annual Incentive Plan

We provide annual cash incentives to motivate our executives to achieve specific short-term performance objectives. Our short-term incentive plan ensures that a significant portion of each executive officer s Cash Compensation is at risk and payable only if the Company s discretionary performance measures and each executive s individual performance objectives are achieved.

Management Incentive Plan (MIP) Description. The Management Incentive Plan (or MIP), which was approved by our stockholders in 2006 for the purpose of complying with Section 162(m) of the Internal Revenue Code (the Code), provides an annual cash incentive award opportunity for each participating Named Executive Officer under the Management Incentive Plan equal to 1.5 percent and 0.75 percent of the Company s earnings before income taxes for Mr. Nuti and each of the other Named Executive Officers, respectively. This measure, earnings before income taxes (or EBIT), was used to ensure that bonuses are determined as a percentage of controllable profit, and consequently, we exclude income taxes to ensure that profit is defined based on operating results that the participating Named Executive Officers can directly influence. The award amount was set at a level sufficient to ensure reasonable payout levels under all expected future scenarios, taking into consideration possible changes in the level of earnings before income taxes that might result from operational performance, as well as merger and acquisition and related activities.

Targets for participation in our annual incentive program were established based on peer group data and positioning within the senior leadership team. The annual cash incentive award opportunity for each of our Named Executive Officers for the 2010 performance year is summarized as follows:

Named Executive Officer	MIP Bonus Target (as % of base salary)	Customer Success Target (as % of base salary)	Total 2010 Bonus Target	Total Bonus Payout Range[(1)]
William Nuti[(2)]	140%	10%	150%	0% to 290%
Robert Fishman	100%	10%	110%	0% to 210%
John Bruno	100%	10%	110%	0% to 210%
Peter Leav	75%	10%	85%	0% to 160%
Peter Dorsman	75%	10%	85%	0% to 160%

(1) The total bonus payout range cannot exceed 1.5% of EBIT for the CEO and 0.75% of EBIT for the other NEOs as provided under the MIP.

(2) The Committee determined to increase the target award based on core financial metrics for Mr. Nuti from 125% to 140%. Thus, Mr. Nuti s overall target award increased from 125% to 150% to better align with the desired competitive position for Mr. Nuti s target cash compensation.

2010 Management Incentive Plan Objectives. Consistent with Section 162(m) of the Code, the Committee retains the discretion to reduce the annual cash incentive award for Named Executive Officers to an amount that would be less than 1.5 percent or 0.75 percent, as applicable, of the Company s earnings before income taxes. In considering whether to exercise this discretion, the Committee considers, among other things, the extent to which our Named Executive Officers achieved certain pre-established objectives, which we refer to as Management Incentive Plan Objectives. The 2010 Management Incentive Plan Objectives were tied to (i) core financial objectives, (ii) individual management objectives, and (iii) customer success results.

Core Financial Objective. Each participating Named Executive Officer was assigned a core financial performance objective based on corporate non-pension operating income after capital charge (NPOICC). We used NPOICC as a measure because it (i) reflects our highest business imperative driving growth in profit by increasing revenue and controlling operating costs, (ii) is balanced with driving a strong focus on asset utilization, working capital and cash flow, (iii) is simple to calculate and easily understood by both employees and stockholders, (iv) is a measure that we can track throughout the year, and (v) is a critical measure investors use to gauge our execution of annual operations.

NPOICC is our operating income as reported under generally accepted accounting principles, but without taking into consideration the impact of pension income or expense for the year. We exclude the impact of pension income or expense when calculating our operating income because such impact is better considered over several years and does not directly relate to an executive officer s performance or the Company s success in operating the Company. The non-pension operating income is then adjusted to take into consideration capital charges for the year, as these charges represent our cost of capital as used in our operations and corporate activities. By incorporating this factor into the performance measure, we are able to ensure the Named Executive Officers consider the long-term impact of their decisions as well as the short-term financial consequences. The long-term impact is based on charging a cost of capital for long-term assets to reflect our investors assumed expected return on equity capital. The short-term financial consequence is based on the charge associated with working capital items such as accounts receivable, inventory and other current assets. As a result, we expected the core financial objective to motivate the Named Executive Officers to prudently manage our assets as they work to increase revenue and lower operating costs.

The Committee established the 2010 NPOICC core financial objective for threshold, target and maximum performance at $185 million, $230 million and $275 million, respectively. The 2010 core financial objective also contained a suggested payout threshold based on operating results as measured by non-pension operating income (NPOI), which was set at $280 million for those executives who have performance objectives aligned only to

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their organizational and/or functional goals (and not the core financial objective). The financial objectives under the annual cash incentive program are generally set at a level that is more challenging than the financial objectives under the long-term incentive program described below to ensure that our executives are properly motivated and rewarded only for outstanding performance.

Management by Objectives. Each participating Named Executive Officer had multiple management objectives, which we refer to as management by objectives or MBOs, that the Committee considers in using its discretion to determine the final payout of annual cash incentive awards as described in the table below.

Customer Success. Each participating Named Executive Officer was assigned a 10% customer success cash award target opportunity where the payout earned will be linked to the Company s overall customer success survey results for the 2010 performance year, determined at the descretion of the Committee.

2010 MIP Performance Results and Payouts. Following is a summary of the MIP results and the incentive award payouts approved for each participating Named Executive Officer for the 2010 performance year.

Summary of the Management Incentive Plan Performance Objectives for 2010

	2010 Performance Objectives				
MIP Discretionary Objectives	Threshold *(25% funded)*	Target *(100% funded)*	Maximum *(200% funded)*	**2010 Performance Results**	**2010 MIP Payout Funded**
Core MIP Objective (NPOICC)[1]	$185.0M	$230.0M	$275.0M	NPOI Results $332.7M - Capital Charge ($103.7M) NPOICC Results $229.0M	98.4% of Target
Customer Success Objective[2]	Payout linked to the Company s overall Customer Satisfaction Survey Results			Below expectations	0% - No Payout

(1) No funding will occur unless the Company achieves a Non Pension Operating Income of at least $280 million for 2010.

(2) The customer success objective is measured through a twice-annual survey of customers conducted by a third-party.

2010 MBOs and Payouts. Following is a summary of the MBOs established by the Committee and the Management Incentive Plan payouts approved for each participating Named Executive Officer for the 2010 performance year.

2010 Management Incentive Plan (MIP) Payouts

Name	MBOs (Factors Influencing Payout)	Target MIP Payout	Funded MIP Payout	Individual Performance Modifier	2010 MIP Payout	Rationale for 2010 MIP Payout
William Nuti	Successful strategic repositioning and corporate transformation as reflected in increased market share, quality of revenue and earnings, increased geographic diversification, capital efficiency and increased stockholder return.	$1,400,000	$1,377,273	109%	$1,500,000	Succeeded on all critical objectives
Robert Fishman	Days Revenue Receivable Outstanding, Days Billing Outstanding, Loss on Accounts Receivable, Expense to Revenue Ratio, Close Efficiency, Effective Tax Rate, Investor Relations, Revenue Growth, Continuous Improvement and Quality.	$400,000	$393,507	100%	$393,507	Succeeded on all critical objectives
John Bruno	Expense to Revenue Ratio, R&D Solutions Roadmap Execution, Services Growth and Profit Targets, Revenue Growth, Market Share, Revenue and Profit per Headcount, Innovation Council Execution, NCR Brand/Image Improvement, Continuous Improvement, Quality and Cost Reduction Value Engineering (CRVE).	$750,000	$737,825	100%	$737,825	Succeeded on all critical objectives
Peter Leav	Expense to Revenue Ratio, Direct Quota-carrying Headcount, Revenue Growth, Market Share, Book to Bill, Q1 Order Target Improvement, and Forecast Quality.	$356,250	$350,467	120%	$420,560	Exceeded expectations on Sales Growth, Forecast Quality & Funnel improvement
Peter Dorsman	Controllable Gross Margin, Revenue Growth, Inventory and Inventory Turns, Customer Requested Ship Date Goal, Headcount Costs as % of Hardware Revenue, Quality Council Execution, Continuous Improvement, Quality and Cost Reduction Value Engineering (CRVE).	$303,750	$298,819	120%	$358,583	Exceeded expectations on CRVE, Quality and Continuous Improvement cost reductions

2011 Management Incentive Plan Update. In order to better align payouts under the Management Incentive Plan with the financial objectives that the management team is held accountable for achieving each year, the Committee recommended a proposal to the Board of Directors to amend the Management Incentive Plan, subject to stockholder approval, to establish the calculation of all awards payable under the plan equal to 1.5 percent for the CEO, and 0.75 percent for all other participants, as applicable, of the Company s Non-Pension Operating Income (or NPOI) after accrual for any amounts payable under the plan and any other plan where its terms so provide. If approved by stockholders, NPOI will replace earnings before income taxes as the primary payout metric under the Management Incentive Plan.

Annual Long-Term Incentive Plan

We implemented our long-term incentive program to ensure that a large portion of total compensation for executives is directly aligned with Company performance and changes in stockholder value that are driven by Company performance. Long-term equity awards granted to our Named Executive Officers in 2010 were made under the 2006 NCR Corporation Stock Incentive Plan (the Stock Incentive Plan) approved by our stockholders in 2006. The use of equity for our long-term incentive plan (i) unites all executives in a common set of performance goals which creates commonality of interests with stockholders, and (ii) enhances the long-term retention aspect of the overall compensation program by requiring executives to remain employed over a multi-year period until awards fully vest before the wealth creation can be realized by an executive.

2010 Annual LTI Awards. In early 2010, the Committee approved changes in the design of the long-term incentive program for 2010. In an effort to better optimize share usage and risk, the mix of equity vehicles for the 2010 annual grant was revised to include 75 percent performance-based restricted stock units and 25% non-qualified stock options. This change was intended to keep a significant portion of the LTI award as performance-based and also to maintain the annual run rate of equity awards within a reasonable range. Additionally, the performance period for the 2010 performance-based restricted stock units is two years, rather than the one-year performance period utilized in 2009, and the time-based vesting term continues to be the traditional three-year period in order to provide long-term retention value for both the executive and the Company. The Committee continues to evaluate these terms to establish the right balance between performance, motivation, retention and the ability to set financial operating targets in a volatile economic environment, while keeping in mind the objective to offer a competitive opportunity for long-term compensation. As a result of this continuous evaluation, the Committee modified the design of the long-term incentive program for 2011. The 2011 design is discussed at the end of this Annual Long-Term Incentive Plan section.

Award size. When determining the overall annual equity program for the Company for the upcoming year, we balance the size of individual awards, the number of participants, and accounting expenses from prior year grants with the total annual expense plan approved by the Committee. As mentioned above, FWC also conducts a comprehensive analysis of long-term incentive costs and stockholder dilution, which helps the Committee develop an annual budget for aggregate, Company-wide long-term incentives. Generally, the 2010 award levels for our Named Executive Officers were between the median and 75th percentile of the market data.

Performance Goals. The awards granted under the long-term incentive program had a performance target of 20% Return on Capital, which was set to comply with Section 162(m) of the Code. If this performance target is not achieved, there is no payout of these awards. If this performance target is achieved, then the Committee uses its discretion to determine payment of the performance-based restricted stock units taking into consideration the extent to which we achieved a specified level of NPOICC during a two-year performance period starting January 1, 2010 and ending December 31, 2011.

Return on Capital is equal to our NPOI divided by controllable capital. Controllable Capital includes our working capital (accounts receivable plus inventory, minus the sum of accounts payable, deferred revenue and customer deposits), plus the sum of Property. Plant & Equipment, other current assets excluding taxes, and capitalized software, minus the sum of payroll and employee benefits and other current liabilities, excluding taxes and severance (FAS 112 liability). By using Return on Capital (as described above), the Committee can ensure that the NPOI growth is based on sound investments by taking into account the impact of the cost of generating the additional NPOI.

The threshold, target and maximum NPOICC performance objective established for the 2010-2011 performance period will be disclosed once the performance period is completed. The number of shares earned could range, according to the level of performance achieved, from a 0% payout if threshold is not achieved, to a 25% payout at threshold, up to a maximum 150% payout of the target number of performance units granted to each executive. If earned, the units will vest on December 31, 2012. While these objectives represent challenging performance targets, our philosophy is to make the financial objectives under the annual cash incentive plan moderately more difficult than those of the long-term incentive plan. We do this in recognition of the difficulty in

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setting long-term targets, especially during more volatile economic times. To provide a sense of how challenging these objectives are, below is a historical view of how the Company has paid out on the annual performance-based restricted stock units awards granted.

	Annual LTI Award Discretionary Performance Objectives			
Award Year	Performance Period	Performance Payout Range	Actual Results	Final Payout
2009	1/1/2009 to 12/31/2009	NPOICC between $232.5M to $327.5M	$ 216.1M	0%
2008	1/1/2008 to 12/31/2010	NPOICC between $825.0M to $1,005.0M	$ 787.3M	0%
2007	10/1/2007 to 12/31/2009	NPOICC between $558.6M to $670.9M	$ 630.6M	114.2%

2010 Annual LTI Award Performance Results and Payouts. The performance period for the 2010 annual LTI award commenced January 1, 2010 and will conclude December 31, 2011. We will report the performance results and expected payouts for each Named Executive Officer in the appropriate filing once the performance period is completed and the results are certified by the Committee.

2010 Ad Hoc LTI Awards. Equity awards granted outside the annual award process, known as ad hoc awards, are also generally granted in the form of either performance-based restricted stock units and/or non-qualified stock options.

Promotional and New-Hire LTI Awards. During 2010, only one ad hoc award relating to promotions and new hires was made to a Named Executive Officer. As part of his promotion to the role of Senior Vice President and Chief Financial Officer, Mr. Fishman received a long-term incentive award with an approved value of $600,000, granted in the form of performance-based restricted stock units, subject to a threshold NPOI performance objective of $225 million for the 2010 performance year, where if achieved, 100% of the award will vest on the third anniversary of the grant date. Since the Company achieved the threshold NPOI performance objective, this award will vest in April 2013 at 100% of the number of RSUs granted.

Special Retention and Recognition LTI Awards. During 2010, the Committee granted special awards to a select group of employees, including our current Named Executive Officers. Each of the special awards was in the form of time-based restricted stock units, with varying vesting schedules depending on the specific retention needs. For each award, a portion vests in February 2012 and the remaining portion vests in February 2013, subject to the executive s continued employment on the vesting date. The Chairman s recognition awards were made by the Committee to the Named Executive Officers in the amounts listed in the table below. The amounts of the awards were determined based on the Committee s assessment of the amount of equity that each Named Executive Officer had realized during his tenure with the Company, the intrinsic value and overall retention values of outstanding awards.

The long-term incentive awards granted to each Named Executive Officer during 2010 are summarized as follows:

	Summary of Long-Term Incentive Awards Granted in 2010[1]					
	2010 Annual LTI Award			Ad Hoc LTI Awards		
Name	Performance RSUs (75%)	Stock Options (25%)	Total LTI Award	Promotional/ New-Hire Award	Retention/ Recognition Awards	Total LTI Award Value Granted in 2010
William Nuti	$4,125,000	$1,375,000	$5,500,000		$3,800,000	$9,300,000
Robert Fishman	$300,000	$100,000	$400,000	$600,000	$118,125	$1,118,125
John Bruno	$1,050,000	$350,000	$1,400,000		$2,843,750	$4,243,750
Peter Leav	$543,750	$181,250	$725,000		$1,000,000	$1,725,000

Peter Dorsman	$543,750	$181,250	$725,000		$504,000	$1,229,000

(1) Represents the LTI award value granted in 2010. Refer to the 2010 Grants of Plan-Based Awards Table on page 49 for the grant date fair value for each award.

Update on Prior-Year Performance-Based Restricted Stock Unit Awards

2008 Performance-Based Restricted Stock Units. In 2008, the Committee granted performance-based restricted stock units to Messrs. Nuti, Fishman and Dorsman. The awards were granted with a three-year performance period that commenced January 1, 2008 and ended December 31, 2010. The awards had a performance target of 20% Return on Capital. In exercising its discretion to determine the payout for the award, the Committee considered the extent to which we achieved certain levels of NPOICC during the performance period. The number of shares earned could range, according to the level of performance achieved, from a threshold of 25% to a maximum of 150% of the performance units granted. In February 2011, the Committee certified that no payout for the 2008 performance-based restricted stock