NCR CORP
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March 10, 2009

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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:

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

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(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):

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(4) Proposed maximum aggregate value of the transaction:

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(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

NOTICE OF 2009 ANNUAL MEETING

AND PROXY STATEMENT

March 10, 2009

Dear Fellow NCR Stockholder:

I am pleased to invite you to attend NCR s 2009 Annual Meeting of Stockholders on April 22, 2009. The meeting will begin promptly at 9:00 a.m. local time at the Millenium Hilton, 55 Church Street, New York, New York 10007.

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 candidates, 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 last year, we are offering to our stockholders the option to receive NCR s proxy materials on the Internet. We believe this option 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. local time

Date:

Wednesday, April 22, 2009

Place:

Millenium Hilton

55 Church Street

New York, NY 10007

Purpose:

Elect three Class A directors to hold office for three-year terms, one Class B director to hold office for a one-year term, and one Class C director to hold office for a two-year term, each until his respective successor is duly elected and qualifies;

Consider and vote upon the ratification of the appointment of the Company s independent registered public accounting firm for 2009; and

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

Other Important Information:

Registered stockholders of NCR common stock at the close of business on February 9, 2009, 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,

Peter M. Lieb

Senior Vice President,

General Counsel and Secretary

March 10, 2009

Important Notice Regarding the Availability of Proxy Materials for the

Stockholder Meeting to be Held on April 22, 2009

This proxy statement and the 2008 Annual Report on Form 10-K are available at www.proxyvote.com.

NCR Corporation

1700 South Patterson Blvd.

Dayton, Ohio 45479

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 2009 Annual Meeting of Stockholders, including any adjournment or postponement thereof. The meeting will be convened at 9:00 a.m., Eastern Time, on April 22, 2009, at the Millenium Hilton, 55 Church Street, New York, New York 10007.

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 new rules adopted by the Securities and Exchange Commission (SEC). Accordingly, 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 8, 2009. 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 10, 2009, 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 1700 S. Patterson Boulevard, Attn: Investor Relations, Dayton, Ohio 45479 (phone: 937-445-5905), 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 are a registered stockholder at the close of business on the record date for the meeting, February 9, 2009, you are entitled to vote at the meeting. There were 158,161,314 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 our 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 *http://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 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 the address listed above.

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, 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 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 9, 2009, 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 and to ratify the appointment of our independent registered public accounting firm. Broker non-votes and abstentions are not votes cast under Maryland law and, therefore, will have no effect on the outcome of the vote for any item. Broker non-votes occur when a broker returns a properly executed proxy but does not vote on a particular item because the broker does not have the authority to vote on a proposal in the absence of voting instructions from the beneficial owner. We do not expect that brokers will lack authority to vote on either of the proposals that will be considered at the meeting.

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 69 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 NCR s next quarterly report filed with the SEC.

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 recommended by the Board of Directors:

FOR the election of each of the three Class A director nominees, one Class B director nominee, and one Class C director nominee (see pages 6 and 7); and

FOR ratification of the appointment of the Company s independent registered public accounting firm for 2009 (see page 67).

Uncertificated Shares

On January 25, 2006, the Board of Directors approved an amendment and restatement of the Company s Bylaws which, among other things, allows the Company to issue uncertificated shares of stock. As a result of a resolution adopted by the Board of Directors, the Company will no longer issue stock certificates. However, stockholders whose shares are uncertificated will have all of the same rights as stockholders who were previously issued stock certificates and whose shares continue to be represented by certificates.

STOCK OWNERSHIP

Ownership by Officers and Directors

This table shows the NCR common stock beneficially owned as of January 31, 2009 by each executive officer named in the Summary Compensation Table below on page 38, each non-employee director and nominee and the current directors and current executive officers as a group. As of that date, the Named Executive Officers and the then-current directors and remaining executive officers as a group beneficially owned 2.0% of NCR common stock. Other than Mr. Nuti, who beneficially owned 1.2% of NCR common stock as of January 31, 2009, no other individual listed in this table beneficially owned more than 1% of NCR common stock as of that date. In addition to the shares shown in this table, the directors and executive officers hold restricted stock units that have not yet vested, as listed in footnote 5 to the following table.

Name	Total Shares Beneficially Owned(1)(2)	Shares Covered by Options(3)
Non-Employee Directors		
Quincy Allen, Director	0	0
Edward (Pete) Boykin, Director	82,751	42,976
Richard Clemmer, Director	5,916	0
Gary Daichendt, Director	19,480	6,976
Robert DeRodes, Director	6,505	0
Mark Frissora, Director(4)	46,461	22,976
Linda Fayne Levinson, Independent Lead Director	114,068	76,976
C.K. Prahalad, Director	129,382	76,976
Named Executive Officers		
William Nuti, Director and Officer	1,934,338	1,772,082
Malcolm Collins, Former Officer	127,018	90,868
Peter Dorsman, Officer	64,535	54,731
Peter Lieb, Officer	107,716	83,498
Anthony Massetti, Officer	50,928	50,928
Robert Fishman, Former Officer	23,989	19,104
Current Directors, Named Executive Officers and remaining Executive Officers as a Group (19 persons(5))	3,131,255	2,622,497

(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 31,775 shares granted to Mr. Boykin, 3,117 shares granted to Mr. Clemmer, and 5,364 shares granted to Mr. Prahalad, 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 or their family members have the right to acquire through stock option exercises within 60 days after January 31, 2009. These shares are also included in the Total Shares Beneficially Owned column.

(4) Includes an aggregate of 280 shares held by Mr. Frissora s sons.

(5) In addition to the shares listed in the table, directors hold the following number of restricted stock units that have not vested as of the filing date of this proxy statement: Mr. Boykin, 1,273 (the receipt of which Mr. Boykin has elected to defer); Mr. DeRodes, 2,800; Mr. Clemmer,

2,800 (the receipt of which Mr. Clemmer has elected to defer); and Messrs. Daichendt, Frissora and Prahalad and Ms. Levinson, 1,273. The Named Executive Officers also hold the following number of restricted stock units that have not vested as of the filing date of this proxy statement, in addition to the shares listed in the table: Mr. Nuti, 290,751; Mr. Collins, 69,834; Mr. Dorsman, 44,207; Mr. Fishman, 17,857; Mr. Lieb, 51,953; Mr. Massetti, 85,028; and other executive officers who are not named in the Summary Compensation Table, 213,069.

Other Beneficial Owners of NCR Stock

To the Company s knowledge, 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
FMR LLC 82 Devonshire Street Boston, Massachusetts 02109	20,027,880(1)	12.7%
Janus Capital Management LLC 101 Detroit Street Denver, Colorado 80206	7,915,873(2)	5.0%

(1) Information is based upon a Schedule 13G filed by FMR LLC (FMR) and Edward C. Johnson 3d, Chairman of FMR, with the SEC on February 17, 2009. FMR reports beneficial ownership of shares by its direct and indirect subsidiaries, including Fidelity Management & Research Company (Fidelity), Strategic Advisers, Inc., Pyramis Global Advisors, LLC, Pyramis Global Advisors Trust Company and FIL Limited. These FMR entities have sole dispositive power over all 20,027,880 shares and sole voting power with respect to 5,101,559 shares.

Fidelity is the beneficial owner of 15,366,571 of the shares shown above as a result of acting as investment adviser to various investment companies (Funds). Edward C. Johnson 3d, FMR, through its control of Fidelity, and the Funds each has sole dispositive power over the 15,366,571 shares owned by the Funds.

(2) Information is based upon a Schedule 13G filed by Janus Capital Management LLC (Janus) with the SEC on February 17, 2009. Janus reports beneficial ownership of shares by its affiliates INTECH Investment Management and Perkins Investment Management LLC. According to this filing, Janus has shared voting power and shared dispositive power over all of the 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 qualify. 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 2009, 2010, and 2011, respectively.

Proxies solicited by the Board will be voted for the election of each of the nominees, unless you withhold your vote on your proxy. The Board has no reason to believe that any of these nominees will be unable to serve. However, if one of them 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 Board recommends that you vote FOR each of the following nominees for election as a director.

Class A Current Terms Expiring in 2009 and New Terms Expiring in 2012:

Messrs. Nuti and Daichendt are Class A directors whose current terms are expiring at the 2009 annual meeting. Messrs. Nuti and Daichendt have been nominated for reelection to serve until the 2012 annual meeting of stockholders and until their successors are elected and qualify. In addition, on April 23, 2008, the NCR Board of Directors increased the size of the Board by two members and Mr. Robert DeRodes was elected as a Class A director to fill one of the vacant positions until the 2009 annual meeting. The Board has proposed the following nominees for election as Class A directors at the 2009 annual meeting. Each of the nominees has consented to serve a three-year term and each is currently serving as a director.

William Nuti, 45, 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 10 years at Cisco Systems 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 IBM, Netrix Corporation and Network Equipment Technologies. Mr. Nuti is also a director of Sprint Nextel Corporation. Mr. Nuti became a director of NCR on August 7, 2005.

Gary Daichendt, 57, 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, a manufacturer of communications and information technology networking products. Mr. Daichendt is also a director of ShoreTel Inc. Mr. Daichendt became a director of NCR on April 26, 2006.

Robert P. DeRodes, 58, became Executive Vice President, Chief Technology Officer of First Data Corporation, an electronic commerce and payments company, on October 8, 2008. Prior to joining First Data, he was Executive Vice President and Chief Information Officer for The Home Depot, a home improvement retailer, since February 2002. He previously served as President and Chief Executive Officer of Delta Technology, Inc. and Chief Information Officer for Delta Air Lines, Inc., an international airline company, from September 1999 until February 2002. Mr. DeRodes became a director of NCR on April 23, 2008.

Class C Current Term Expiring in 2009 and New Term Expiring in 2011:

On April 23, 2008, the NCR Board of Directors increased the size of the Board by two members and Mr. Richard Clemmer was elected as a Class C director to fill one of the vacant positions until the 2009 annual meeting. The Board has proposed Mr. Clemmer for election as Class C director at the 2009 annual meeting. Mr. Clemmer has consented to serve a two-year term and is currently serving as a director.

Richard L. Clemmer, 57, became President and Chief Executive Officer of NXP B.V., a semiconductor company, on 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. Between June 2004 and October 2005, he was an active partner at Shelter Capital Partners, a private investment fund. Between 2003 and October 2005, he was Chairman and President of Venture Capital Technology LLC, a technology investment and consulting company. He is also a director of i2 Technologies, Inc. Mr. Clemmer became a director of NCR on April 23, 2008.

Class B Current Term Expiring in 2009 and New Term Expiring in 2010:

On January 28, 2009, the NCR Board of Directors increased the size of the Board by one member and Mr. Quincy Allen was elected as a Class B director to fill the vacant position until the 2009 annual meeting. The Board has proposed Mr. Allen for election as Class B director at the 2009 annual meeting. Mr. Allen has consented to serve a one-year term and is currently serving as a director.

Quincy Allen, 48, became President, Global Business and Strategic Marketing Group, Xerox Corporation, a document management technology and services company, on January 21, 2009. Prior to assuming this position, Mr. Allen was President, Production Systems Group, at Xerox from December 2004. From 2003 to 2004, he was Senior Vice President, Xerox Business Group Operations, and from 2001 to 2003, he was Senior Vice President, North American Services and Solutions, Xerox. Mr. Allen became a director of NCR on January 28, 2009.

Directors Whose Terms of Office Continue

Class B Current Terms Expiring in 2010:

Edward Pete Boykin, 70, was Chair of the Board of Directors of Capital TEN Acquisition Corp., a special purpose acquisition company, from October 2007 to May 30, 2008. He served as President and Chief Operating Officer of Computer Sciences Corporation, 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.

Linda Fayne Levinson, 67, is Chair of the Board of Directors of Connexus Corporation (formerly VendareNetblue), an online marketing company, a position she has held since July 2006. From February 2006 through July 2006, Ms. Levinson was Interim Chief Executive Officer and Chair of Vendare Media (subsequently merged with Netblue and known as VendareNetblue). From November 2006 through June 2007, she was also Chair of the Board of Directors of X1 Technologies, Inc., an Idealab company providing secure enterprise desktop search solutions.

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. She 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.

Class C Current Terms Expiring in 2011:

Mark Frissora, 53, became Chief Executive Officer of The Hertz Corporation, a car and equipment rental company, on July 19, 2006, and became Chairman of the Board of The Hertz Corporation on January 1, 2007. Prior to becoming Chief Executive Officer of The Hertz Corporation, Mr. Frissora was Chairman and Chief Executive Officer of Tenneco Inc., a manufacturer of automotive emission control and ride control products and systems, from March 2000, after serving as its President and Chief Executive Officer from November 1999 until March 2000. He is also a director of Walgreen Co. Mr. Frissora became a director of NCR on June 5, 2002.

C.K. Prahalad, 67, is the Paul and Ruth McCracken Distinguished University Professor at The Ross School of Business, University of Michigan. Mr. Prahalad is a nationally recognized specialist in corporate strategy and the role of top management in large, diversified, multi-national corporations. From 2000 to 2002, he was Chairman of PRAJA, Inc., a software company located in San Diego, California. He is also a director of Hindustan Lever Limited, India, Pearson PLC and World Resources Institute, Washington, D.C., a non-governmental organization. Mr. Prahalad became a director of NCR on January 1, 1997.

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 oversee the performance of the business and 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. These guidelines address, among other things, director independence, committee membership and structure, meetings and executive sessions, and director selection, retirement, and training. The Board s Corporate Governance Guidelines, as well as the Board s committee charters, are found on NCR s corporate governance website at http://www.ncr.com/corpgovernance/guidelines.htm. You may obtain a written copy of these guidelines, or any of the Board s committee charters, by writing to NCR s Corporate Secretary at the address listed on page 13 of this proxy statement. The Board s non-management directors meet regularly in executive session of non-management directors. Effective October 1, 2007, the Board of Directors appointed Linda Fayne Levinson as the Board s Independent Lead Director. As the Independent Lead Director, the Board appointed Ms. Levinson to serve as the presiding director at the executive sessions of non-management directors during 2009.

In connection with its Corporate Governance Guidelines, the Board of Directors has established independence standards. In general, the Board annually determines whether each director is considered independent, taking into account the independence guidelines of the New York Stock Exchange and the factors listed immediately following this paragraph, which are included as Exhibit B, Definition of Director Independence, to the Board s Corporate Governance Guidelines referenced above, in addition to those other factors it may deem relevant. No director may qualify as independent unless the Board affirmatively determines (i) under the New York Stock Exchange (NYSE) listing standards, that he or she has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with NCR); and (ii) under the Company s independence standards, that the director or director candidate:

- 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, or significant stockholder) with a significant customer or supplier of the Company, including payments in the previous three years to or from the Company to another company in a fiscal year exceeding 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 more than $120,000 per year in direct compensation from the Company, other than 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 Allen, Edward (Pete) Boykin, Richard Clemmer, Gary Daichendt, Robert DeRodes, Mark Frissora, Linda Fayne Levinson and C.K. Prahalad meet the NYSE listing independence standards and the Company s independence standards. In evaluating and determining the independence of Mr. Frissora, the Board of Directors considered the relationship between NCR and The Hertz Corporation. Mr. Frissora is the Chairman of the Board and Chief Executive Officer of The Hertz Corporation, which has various commercial relationships with NCR. The Board of Directors determined that none of these relationships, alone or in the aggregate, were material. There were no other transactions, relationships or arrangements that required review by the Board for purposes of determining director independence.

The Board met seven times last year. In 2008, all of the directors attended 75 percent or more of the total number of meetings of the Board and the committee(s) on which he or she serves. In addition, while there is no formal policy regarding director attendance at the annual meeting of stockholders, NCR s directors have a practice of attending the Company s annual meetings. All of the directors then in office attended the Company s 2008 annual meeting of stockholders.

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.

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 of management and the quality and adequacy of disclosures to stockholders. The committee also:

is solely responsible for hiring and terminating the Company s independent registered public accounting firm and pre-approving all audit, as well as any audit-related, tax and other non-audit services, to be performed by the independent registered public accounting firm;

reviews and discusses with NCR s independent registered public accounting firm its 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;

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.

The Audit Committee has four members, Quincy Allen, Edward (Pete) Boykin, Richard Clemmer and C.K. Prahalad, each of whom 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 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.

A more detailed discussion of the committee s mission, composition, and responsibilities is contained in the Audit Committee Charter, which was adopted as revised by the Board of Directors in October 2008. A copy of this charter can be found on NCR s corporate governance website at http://www.ncr.com/corpgovernance/corpgov_board_charters.htm.

Compensation and Human Resource Committee: This committee 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 and incentive awards 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 approves the Company s executive compensation plans;

oversees the Company s compliance with NYSE rules relating to approval of equity compensation plans;

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 currently has three members, Mark Frissora, Robert DeRodes and Linda Fayne Levinson, each of whom the Board of Directors has determined meets the NYSE listing independence standards and the Company s independence standards.

This committee is authorized to and has directly engaged its compensation consultant, Frederic W. Cook & Co., 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 2008, the committee directed its consultant to conduct market studies, review publicly available market data and be readily available for consultation with this committee and its members regarding such matters.

A more detailed discussion of the committee s mission, composition, and responsibilities is contained in the Compensation and Human Resource Committee Charter, which was adopted as revised by the Board of Directors in January 2009. A copy of this charter can be found on NCR s corporate governance website at http://www.ncr.com/corpgovernance/corpgov_board_charters.htm.

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 2008, the committee engaged Mercer (US) Inc. as its consultant 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 initial and long-term incentive equity grants.

The Committee on Directors and Governance is composed entirely of independent directors, Edward (Pete) Boykin, Gary Daichendt, Linda Fayne Levinson and C.K. Prahalad.

Selection of Nominees for Directors

Your directors and the Committee on Directors and Governance are responsible for recommending candidates for membership to the Board. The director selection process is described in detail in the Board s Corporate Governance Guidelines, which are posted on the Company s corporate governance website at http://www.ncr.com/corpgovernance/guidelines.htm. 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. From time to time, the committee may engage outside search firms to assist it in identifying and contacting qualified candidates. 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. Richard Clemmer, Robert DeRodes, and Quincy Allen, each of whom was recommended by Egon Zehnder International, for these open positions. All candidates are evaluated by the committee using the qualification guidelines included as part of the Board s Corporate Governance Guidelines. As part of the selection process, the Committee on Directors and Governance and the Board of Directors examine candidates business skills and experience, personal integrity, judgment, and ability to devote the appropriate amount of time and energy to serving the best interests of stockholders. The Board and the Committee on Directors and Governance are committed to finding proven leaders who are qualified to serve as NCR directors.

Stockholders wishing to recommend individuals for consideration as directors should contact the Committee on Directors and Governance by writing the Company s Corporate Secretary at NCR Corporation, 1700 South Patterson Blvd., Dayton, OH 45479. 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 on our corporate governance website at http://www.ncr.com/corpgovernance/corpgov_bylaws.htm. See Procedures for Stockholder Proposals and Nominations on page 68 of this proxy statement for further details regarding how to nominate directors.

The directors nominated by the Board of Directors for election at the 2009 annual meeting were recommended by the Committee on Directors and Governance. All of these candidates for election are currently serving as directors of the Company and have been determined by the Board to be independent, with the exception of Mr. Nuti, who also serves as the Company s Chief Executive Officer and President.

A more detailed discussion of the committee s mission, composition, and responsibilities is contained in the Committee on Directors and Governance Charter. A copy of this charter can be found on NCR s corporate governance website at http://www.ncr.com/corpgovernance/corpgov_board_charters.htm.

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.

Board Committee Membership

Name	Executive Committee	Compensation and Human Resource Committee	Audit Committee	Committee on Directors and Governance
Quincy Allen			X	
Edward (Pete) Boykin	X		X*	X
Richard Clemmer			X	
Gary Daichendt	X			X*
Robert DeRodes		X		
Mark Frissora	X	X*		
Linda Fayne Levinson	X	X		X
William Nuti	X*			
C. K. Prahalad			X	X
Number of meetings in 2008	0	8	9	4

*Chair

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 1700 South Patterson Blvd., Dayton, Ohio 45479. The Corporate Secretary will forward any communications as directed. 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 NCR s corporate governance web site 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

During 2008, all executive officers and directors of the Company timely filed the reports required under Section 16(a) of the Securities Exchange Act of 1934.

BOARD COMPENSATION AND HUMAN RESOURCE COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation and Human Resource Committee of the Board of Directors (the Committee) manages the Company s compensation programs on behalf of the Board of Directors. The Committee reviewed and discussed with the Company s management the *Compensation Discussion and Analysis* included in this Proxy Statement. In reliance on the review and discussions referred to above, the Committee recommended to the Board of Directors that the *Compensation Discussion and Analysis* be included in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and the Company s Proxy Statement to be filed in connection with the Company s 2009 Annual Meeting of Stockholders, each of which will be filed with the Securities and Exchange Commission.

Dated: February 23, 2009

The Compensation and Human Resource Committee:

Mark P. Frissora, Chair

Robert P. DeRodes, Member

Linda Fayne Levinson, Member

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

I. Executive Summary

Our *Compensation Discussion and Analysis* includes: (i) an overview of the Company s executive compensation program, including a discussion of the compensation philosophy of the Committee and the material elements of compensation earned by or paid to our Named Executive Officers (defined in the following paragraph); and (ii) an analysis of the compensation decisions made by the Compensation and Human Resource Committee of our Board of Directors (the Committee) in 2008.

Our named executive officers discussed in this *Compensation Discussion and Analysis* and the related compensation tables are the officers listed in the table below (collectively, the Named Executive Officers).

Name	Title
William Nuti	Chairman of the Board, Chief Executive Officer and President
Anthony Massetti	Senior Vice President and Chief Financial Officer
Robert Fishman	Former Interim Chief Financial Officer
Malcolm Collins	Former Senior Vice President, Global Sales and Marketing
Peter Lieb	Senior Vice President, General Counsel and Secretary
Peter Dorsman	Senior Vice President, Global Operations

Information regarding Mr. Fishman, who served as our Interim Chief Financial Officer (Interim CFO) during 2007 and part of 2008 is included because he is a Named Executive Officer under the SEC disclosure rules. Mr. Fishman continues to serve as the Company s Controller. Information regarding Mr. Collins, who served as our Senior Vice President, Global Sales and Marketing throughout 2008, is included, although he separated from the Company in 2009, because he is also a Named Executive Officer under the SEC disclosure rules.

The Committee has the sole authority to make compensation-related decisions for the Company s executive officers, including our Named Executive Officers. The Committee relies on five key objectives to drive its executive compensation decisions: (i) attract, retain and motivate high quality talent; (ii) ensure a strong correlation between our executives actual compensation earned and the delivery of successful operating performance for the Company; (iii) establish commonality of interest between our executives and stockholders; (iv) ensure executive compensation programs are financially sound for the Company; and (v) reflect best practice standards as appropriate.

Compensation of our Named Executive Officers is highly performance-based. We use performance-based cash and equity incentives to reward our Named Executive Officers for achieving performance targets set annually by the Committee. In 2008, all equity awards made to our Named Executive Officers were performance-based. Of the actual total compensation awarded to our Named Executive Officers in 2008, approximately 47 percent was performance-based, out of a maximum average potential of 61 percent. The portion of performance-based at risk compensation increases directly with the executive s role and responsibility within the Company, ensuring that our senior officers are held most accountable to our stockholders. Of the actual total compensation awarded to our Chief Executive Officer in 2008, approximately 53 percent was performance-based, out of a maximum of approximately 65 percent.

The financial results for 2008 show that our Company had solid financial performance with respect to operational results, despite the decrease in the trading price of our common stock caused by the current market conditions and state of the economy, which illustrates that our executive compensation program was successful in achieving its goals.

II. Overview of Executive Compensation

A. Compensation Philosophy and Framework

Our executive compensation program is designed to achieve five key objectives. Each objective, including its underlying supporting principles, is described below.

1. Attract, retain and motivate high quality talent. To achieve this objective, we generally set target compensation for Named Executive Officers at or near the competitive market median. For certain high performing executives, or as needed to attract executives from outside the Company, we may set target compensation levels above the median or even near the 75th percentile. In addition, we condition our equity awards upon multi-year vesting schedules to encourage our executives to remain with us throughout the entire vesting period. We also offer a highly-leveraged performance-based compensation program that allows our executives to attain higher payouts based on their successful performance.

2. Ensure a strong correlation between our executives actual compensation earned and the delivery of successful operating performance for the Company. A significant portion of our executives compensation and our key program elements are performance-based. Performance-based compensation is a strong motivator of key, successful behaviors because it links compensation earned with company performance. We use three types of programs to accomplish this: annual performance-based equity awards, a performance-based annual cash incentive plan, and special performance awards for exemplary individual contributions paid in the form of cash or equity. As a result of the substantial focus on performance-based compensation, actual realized pay may fall above or below the targeted levels described above. In setting performance-based compensation, we design our goals and metrics to drive desirable behavior, and take caution to ensure that such design does not incent our executives to take unnecessary or excessive risks that threaten our Company or its stockholders.

3. Establish commonality of interest between our executives and stockholders. We use both performance-based cash and equity programs, including performance shares and stock options, that tie actual payouts to Company performance. This ensures that the majority of executive compensation is paid only in the event that operating performance objectives are achieved. The performance measures focus on the successful attainment of both individual executive and Company-level objectives over both annual and multi-year periods. Thus, the performance measures support the Company s short-term and long-term strategy and the use of equity-based compensation helps to ensure that executives think and act like stockholders. Additionally, we maintain an executive stock ownership policy that encourages executives to accumulate a specified amount of Company stock, to retain a portion of shares acquired through the vesting of performance restricted stock units or restricted stock units, and to hold shares obtained through the exercise of stock options.

4. Ensure executive compensation programs are financially sound for the Company. We take appropriate steps to maximize the tax-deductibility of executive compensation and to avoid unnecessary cash flow costs, accounting charges and share dilution. Costs under the annual incentive plan and the performance share plan are incurred only to the extent that underlying performance goals are attained. In addition, for both annual incentive payouts and aggregate long-term incentive expense and share dilution, an annual budget is set based on careful assessment of competitive peer levels and affordability compared to the annual operating plan approved by the Board of Directors.

5. Reflect best practice standards as appropriate. We strive to be a leader in best practices by monitoring developments in evolving executive compensation best practices and implementing such practices into our executive compensation programs as we determine is appropriate for our Company and our stockholders.

The Committee, which oversees our executive compensation program, evaluates these objectives regularly to ensure that they are consistent with our goals and needs.

B. Role of Compensation Consultant and Chief Executive Officer

The Committee has the authority to determine compensation-related decisions for the Company s executive officers, set plan metrics and make other compensation-related decisions as authorized and required by its charter. The Committee considers recommendations from its compensation consultant, Frederic W. Cook & Co. (FWC), as well as our Chairman of the Board, Chief Executive Officer and President, Mr. Nuti (whom we refer to as our CEO) in making such decisions.

As discussed on pages 11-12 of this proxy statement, under its Charter, the Committee is authorized to and has directly engaged FWC, who is independent of the Company s management and reports directly to the Committee. FWC has no economic relationships with the Company other than its role in advising the Committee. FWC works with management only under the direction and approval of the Committee on matters that fall within the Committee s responsibility as outlined in its charter. FWC plays an integral role in providing the Committee expert advice regarding compensation matters for the executive officers, including the CEO. This advice includes: information about competitive market rates; assistance in the design of the variable incentive plans and the establishment of performance goals; assistance in the design of indirect compensation programs (e.g., change in control policy, general severance and perquisites); and assistance with Section 162(m) and Section 409A compliance, disclosure matters, and other technical matters.

Our CEO attends most meetings of the Committee and participates by discussing with, and making recommendations to, the Committee regarding candidates for executive positions, compensation packages for new and existing executives, and executive benefits. Our CEO also provides recommendations to the Committee concerning the financial performance metrics to be used to determine short-term and long-term incentive compensation for all executive officers. Although our CEO provides written input regarding his compensation that describes his accomplishments for the applicable calendar year, he is not present at Committee meetings during the time decisions are made regarding his own compensation levels, as the decision-making authority on this matter rests with the Committee. In an effort to ensure our compensation consultant remains independent from management, our CEO typically will not meet with the Committee s compensation consultant in the absence of the Committee.

C. General Compensation Levels

Each year, we review the base salaries, annual incentive opportunities and long-term incentive opportunities offered to our executives, including the Named Executive Officers, to ensure that they are competitive with market practices, support our executive recruitment and retention objectives, and are internally equitable among executives. The Committee establishes the amount of each compensation element using the factors and objectives described in this *Compensation Discussion and Analysis*. Our compensation policies and practices are consistently applied to each Named Executive Officer. Cash Compensation (as defined on page 21) is generally set with market median as a guideline. However, we may at times pay top performers in key business roles closer to the 75^{th} percentile in order to attract and/or retain them. Long-term incentives are generally based upon a combination of affordability, market practice and retention objectives.

In setting compensation, the Committee considers affordability to the Company by balancing the Company s desire to attract, motivate, and retain top executives against the cost of providing executive compensation at levels necessary to do so. As a result, affordability considerations are central to the Committee s compensation-setting process. Sections II and III of this *Compensation Discussion and Analysis* describe the Committee s consideration of affordability for each element of compensation, as applicable.

D. Analytical Tools

The Company s management and the Committee s compensation consultant, FWC, conduct analyses of our executive compensation and related decisions using various tools to assess external and internal factors. Management and FWC complete analyses of external factors using market surveys and peer group data. Management conducts analyses of internal factors using internal equity, tally sheets and affordability data.

1. External Analysis Market Surveys and Peer Group Analysis

We use several methods to benchmark the various elements of our executive compensation program in order to gauge where we stand versus the market and to assist the Committee with setting compensation for our executives. Management and FWC each prepare a separate analysis of competitive data. These two separate analyses are used to ensure that adequate perspective and information is available to the Committee to use when making compensation decisions. 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 helps the Committee develop an annual budget for aggregate, Company-wide long-term incentives.

The unique combination of industries represented in our Company 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. That is, we look at companies with similar business models in comparable industries that are of reasonably similar size based primarily on annual revenue and market capitalization. We also consider companies from which we recruit talent or which may recruit talent from our Company.

We review our peer group at least once per year to ensure it continues to reflect the parameters originally outlined. In 2008, we removed Unisys Corporation and added Symantec Corporation in order to reflect the fact that we were no longer in the data warehousing business, changed revenue size and entered into new industries. Our peer group at the end of 2008 consisted of the companies listed below:

Agilent Technologies, Inc.	Andrew Corporation (acquired by Commscope, Inc.)	Avaya 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	Sun Microsystems, Inc.	Tellabs, Inc.	Symantec Corporation
Western Digital Corporation			

Management s analysis provided to the Committee typically concentrates on comparing the compensation of our executive officers against that of similar roles found in broad-based publicly available executive compensation market surveys. In 2008, we used four surveys for the analysis, two of which were general industry in nature and two of which concentrated on companies in high-tech industries. The surveys included both the Company s competitors and non-competitors. The number of companies participating in each survey ranged from approximately 100 to over 700 and the Committee was not provided with the names of the participant companies. We chose these particular surveys for several reasons. First, some of the surveys are global in nature which enables us to obtain salary structure market data in numerous countries under a consistent methodology. Second, the surveys are broad in that they include positions in a variety of disciplines. Third, the surveys we utilized are widely respected and viewed as reliable data sources. Using this approach allows us to collect substantial and meaningful market data through the purchase of a limited number of surveys.

Management s market survey process involves matching the roles of our executives to descriptions of roles in the surveys based on job content, organizational alignment, revenue size, and, at times, industry. We then compare the actual base salary, target annual cash incentives, and actual long-term incentive values for our Named Executive Officers to those found for the matching roles in the surveys. We generally make comparisons at the

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median and 75^{th} percentile levels. Management also periodically reviews survey data compiled by other compensation consultants to determine how we compare to the market on other compensation components, such as executive perquisites or the provisions of severance plans or agreements. On those occasions where management presents competitive or market data to the Committee that affects or could affect our Named Executive Officers, FWC reviews the methodology and results for appropriateness and accuracy.

2. Internal Analysis Tally Sheets, Internal Equity and Affordability

We strive to balance the compensation of our executives with the external market, as described above, and our internal compensation structure. At each regular Committee meeting, the Committee reviews tally sheets prepared by management when considering compensation changes for our executives. Our tally sheets provide:

- current and historical total compensation;
- comparison of current compensation to market median and 75^{th} percentile;
- value of future equity vestings at current and assumed future stock prices;
- value of stock option exercises for the past five years;
- current year short-term incentive targets;
- year-to-date value of executive perquisites received;
- ownership levels in NCR common stock and how this compares to equity ownership guidelines;
- pension benefit estimates and savings plan balances, as applicable; and
- estimates of benefits provided to each executive upon various termination scenarios.

The 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.

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 analyze the relationship between our CEO s compensation and the compensation of our other Named Executive

Officers. In 2008, our CEO s actual compensation was 2.6, 3.2 and 4.7 times base salary, Cash Compensation (as defined in the following section), and Cash Compensation and equity (using the grant date fair value), respectively, of the lowest-paid Named Executive Officer, excluding Mr. Fishman. Our CEO is compensated at substantially higher Cash Compensation and equity levels than the other Named Executive Officers to reflect the market rate for CEO talent, the strategic nature of his position as the senior executive leading the entire organization, the extent and scope of his responsibilities, his performance and the judgment that he brings to his position.

Affordability considerations from both a cash outlay and accounting expense impact are central to the Committee s compensation-setting process. When considering decisions for every element of compensation (cash, equity, perquisites and other benefits), both the needs of the business and the cost of the compensation programs are considered to ensure the sustainability of any changes going forward. The Committee s goal with respect to all elements is to pay enough to attract, motivate, and retain talented executives while maintaining the overall cost of the Company s executive compensation program at a level that the Committee deems to be reasonable and in the best interests of the Company s stockholders.

E. Elements of Executive Compensation

The material elements of compensation used to achieve the objectives of our executive compensation program are (i) cash compensation, consisting of base salary and annual cash incentives (such as the annual cash award opportunities available under the Management Incentive Plan (defined on page 22)) (collectively, Cash Compensation); and (ii) long-term equity incentives (stock options, performance-based restricted stock units, and, on a limited basis, time-based restricted stock units). In addition, we provide to our Named Executive Officers post-termination compensation, including severance, change in control arrangements, and, on a limited basis, retirement benefits and executive perquisites.

The elements of the executive compensation program have been designed to achieve both short and long-term Company performance targets. All elements are considered together because each element impacts the other. In other words, we do not finalize base pay without also considering the resulting total cash compensation. The fact that the Company has few executive perquisites is a factor, albeit usually a small one, when making base salary decisions. This factor does become more important when hiring an executive from outside the Company who has significantly more perquisites at his or her prior company, as we may increase salary to compensate for the forfeited perquisites. While the actual payouts or results of post-termination compensation decisions are dependent upon cash compensation and equity compensation decisions (since they are based on a multiple of compensation), post-termination plan designs are generally made independently of and do not factor into cash compensation and equity decisions. In addition, post-termination compensation decisions are made less frequently than decisions on the other elements of compensation. The mix of the elements also significantly impacts the effectiveness of the total compensation program in meeting its objectives. In determining the mix of compensation elements, we strive to balance the focus on short and long-term goals, while maximizing the use of performance-based compensation elements. The use of variable pay establishes commonality of interest between our executives and our stockholders. Our use of perquisites, which are generally limited to items we view as required for legitimate security and business reasons, minimizes the non-performance-based elements of the total compensation package.

1. Cash Compensation

In 2008, we provided Cash Compensation to our Named Executive Officers through base salary and one or more annual incentive opportunities. This is consistent with both general market practice and the practices of our peer group, which typically provide base salary and annual incentives in the form of cash.

In determining the Cash Compensation component for each Named Executive Officer, we look at compensation data of comparably-ranked positions at companies in our peer group, comparable positions as reflected in market surveys, and the Cash Compensation arrangements of our other senior executives. In the case of a new hire, we also consider the amount of performance or retention bonuses and perquisites that the prospective executive may be forfeiting by leaving his or her current employer. Affordability considerations are also central to the Committee s compensation-setting process for all elements, including Cash Compensation. With respect to Cash Compensation, affordability is measured on the basis of the amount of cash that is necessary to fund each element. For short-term incentives, we analyze whether potential payouts above target would be proportionally funded by the additional profitability the over-performance drives.

a. Base Salary

In order to ensure successful business performance, we strive to set base salaries at a level that is competitive with the general market and our peer group to attract and retain top quality executive talent and to ensure a reasonable level of overall fixed costs. Generally, the median of the relevant market data as described above is used as a guideline for determining base salary. In January or February of each year, and at other times during the year as necessary, the base salary of each of our Named Executive Officers is reviewed and approved. Adjustments to base salary levels on a year over year basis depend largely on the Committee s assessment of market data and Company, functional organization, and individual performance. The Named Executive Officers

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performance, expertise, and internal positioning are also factored into the annual review, and the CEO provides recommendations as to pay actions with respect to the Named Executive Officers other than himself.

b. Short-Term Incentives

We provide annual cash incentives to motivate our executive officers to attain specific short-term performance objectives that, in turn, further our long-term objectives. Our short-term incentive structure ensures that a significant portion of each executive officer s Cash Compensation is at risk and payable only if designated performance measures are achieved. As discussed in the Compensation Philosophy in Section II.A of this *Compensation Discussion and Analysis*, the Committee carefully considers the potential behaviors that such performance measures may motivate, including any behaviors that the Committee believes would create unnecessary or excessive risks for the Company. The annual cash incentives earned in 2008 were paid under the Management Incentive Plan, which was approved by our stockholders in 2006 (the Management Incentive Plan).

The Management Incentive Plan is designed to comply with the performance-based compensation requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), such that bonuses paid to our Named Executive Officers under this plan are generally intended to be fully deductible for federal income tax purposes. The awards payable are established pursuant to a formula approved by our stockholders, and the Committee may use negative discretion to reduce the amount of such awards.

The Committee established a series of objectives to be considered, in addition to any other factors the Committee deemed appropriate, in exercising such negative discretion for awards earned in 2008 (the 2008 Management Incentive Plan Objectives). The 2008 Management Incentive Plan Objectives consisted of two components:

Financial Performance Objectives: Each Named Executive Officer was assigned financial performance objectives linked to corporate and/or functional organization performance applicable to his role.

Diversity Objectives: Each Named Executive Officer was subject to objectives relating to the Company s endeavors to increase the diversity of its domestic managerial workforce.

2. Long-Term Incentives

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 2008 were made under the 2006 NCR Corporation Stock Incentive Plan (the Stock Incentive Plan) approved by our stockholders in 2006. The use of equity (i) unites all executives in a common set of goals and fosters stock ownership, which creates commonality of interests with stockholders, and (ii) enhances the retentive aspect of the overall compensation program by requiring executives to remain employed for a multi-year period until awards fully vest.

Our long-term incentive opportunities offered to our executives, including the Named Executive Officers, are granted in amounts that are competitive with market practices, supportive of our executive recruitment and retention objectives, internally equitable among our executives, and fit within the expense plan of the Company. As described in more detail in Section III.C of this *Compensation Discussion and Analysis*, equity awards are granted during our annual awards cycle and, from time to time, on an ad-hoc basis.

We awarded two types of equity awards to our Named Executive Officers in 2008: performance-based restricted stock units and stock options.

Performance-Based Restricted Stock Units. The performance-based restricted stock units granted to our Named Executive Officers during the normal award process vest only if, at the end of a three-year performance period, we have achieved specific Return on Capital (ROC) as well as Cumulative Net

Operating Profit (CNOP) goals. Additional details regarding the awards and ROC and CNOP are provided in the narrative to the 2008 Grants of Plan-Based Awards Table on page 45. Fifty percent of the annual awards granted in 2008 were in the form of performance-based restricted stock units.

Stock Options. The stock option awards granted to our Named Executive Officers in 2008 vest through continued service over four years in equal annual 25 percent increments. This feature is intended to ensure that a Named Executive Officer will realize meaningful value from his or her award only if he or she remains employed with us during the vesting period and the market price of our common stock appreciates over that time. Fifty percent of the annual awards granted in 2008 were in the form of stock options.

3. Retirement Benefits

We provide retirement benefits to our employees to attract and retain talented employees and to assist our employees in planning for their retirement. Historically, we provided retirement benefits to our United States (U.S.) employees under a number of defined benefit pension plans. However, all of our U.S. defined benefit plans were closed to new entrants in 2004 and were frozen as of December 31, 2006. Plans that are applicable to Messrs. Fishman and Dorsman, our only Named Executive Officers who are entitled to benefits under our defined benefit pension plans, consist of:

The NCR Pension Plan a broad-based tax-qualified defined benefit pension plan for our U.S. employees;

The NCR Nonqualified Excess Plan a non-tax-qualified defined benefit pension plan that restores benefits to participants in the NCR Pension Plan that would otherwise be lost under that plan due to limitations under the federal income tax laws on the provision of benefits under tax-qualified defined benefit pension plans; and

The Retirement Plan for Officers of NCR a non-tax-qualified supplemental executive retirement plan that provides more generous benefits than the NCR Nonqualified Excess Plan for designated executives, including some of the Named Executive Officers.

The actuarial present values of the accumulated pension benefits of the Named Executive Officers who participate in these plans as of the end of 2008, as well as other information about each of our defined benefit pension plans, are reported in the Pension Benefits Table and the narrative thereto on pages 49-50.

4. Change in Control Arrangements

In the future, the Company may consider potential transactions that could result in a change in control. We want to ensure that in such an event, we retain key members of management and promote independence and objectivity in the consideration of potential transactions that may maximize stockholder value. In order to further these objectives, in 2006, we adopted a Change in Control Severance Plan. The design and magnitude of benefits under this plan were considered in the context of other factors, such as the amount of unvested equity compensation and the value of such awards, which together create a strong linkage between management s interests and those of stockholders.

The Change in Control Severance Plan provides for separation payments and benefits to our executives based on the plan level, or tier, to which the executive is assigned by the Committee. We selected these benefit levels for the different tiers in 2008 because, based on our then-current analysis, they represented the most common market practices. For 2008, the market data supported including the CEO and the Chief Financial Officer in Tier I. While market data supports inclusion of business organization Senior Vice President positions and infrastructure positions in either Tier I or Tier II, our CEO recommended, and our Committee agreed, that business organization Senior Vice President positions should be in Tier I and infrastructure positions should be in Tier II. This differentiation was made because of the increased need to retain the focus of the specialized leaders of our

revenue-producing business organizations during a time of change, while maintaining the affordability of the entire change in control program. Accordingly, of our Named Executive Officers, in 2008, Messrs. Nuti, Massetti and Dorsman participated in Tier I, and Messrs. Lieb and Fishman (as Controller) participated in Tier II. In addition, in 2008, Mr. Fishman participated in the plan in Tier I while he served as Interim CFO and Mr. Collins participated in the plan in Tier I while he served as Senior Vice President, Global Sales and Marketing. As described in more detail in Other Compensation Decisions on page 35 and Potential Payments Upon Termination or Change in Control on page 51 of this proxy statement, in 2009, the Committee revised the tier levels for certain positions, which resulted in a decrease of certain compensation and benefits payable under the plan for the affected participants.

The Change in Control Severance Plan has a double-trigger the events that trigger such payment are that a change in control has occurred, and, within the two-year period following the change in control, (i) a participant s employment is terminated by the Company without cause (other than by reason of the participant s death or disability) or (ii) a participant s employment is terminated by the participant for good reason. Additional details regarding the payments and benefits provided to the Named Executive Officers upon satisfaction of the double-trigger are described in the discussion of Potential Payments Upon Termination or Change in Control beginning on page 51 of this proxy statement.

5. Severance Benefits

To ensure that we offer a competitive executive compensation program, we believe it is important to provide reasonable severance benefits to our executive officers, including the Named Executive Officers.

We do not have individual severance agreements with our Named Executive Officers, other than Mr. Nuti. Messrs. Massetti, Fishman, Lieb, and Dorsman are covered under our standard U.S. Reduction-in-Force Plan, and Mr. Collins was covered under our United Kingdom (U.K.) Reduction-in-Force Plan while he was with the Company. Generally, these plans provide employees with severance benefits if we terminate their employment in connection with a business restructuring (unless the termination is for cause). The payments and other benefits provided under these plans reflect the fact that it may be difficult for these individuals to find comparable employment within a short period of time. We have a separate severance arrangement with Mr. Nuti. A description of the reduction-in-force plans and the severance arrangement with Mr. Nuti, as well as the estimated payments and benefits payable to the Named Executive Officers assuming an event triggering payment under these plans and arrangements as of December 31, 2008, are reported in the discussion of Potential Payments Upon Termination or Change in Control beginning on page 51 of this proxy statement. In addition, in 2009, NCR Limited, a wholly-owned subsidiary of the Company, and its affiliates entered into a Compromise Agreement with Mr. Collins in connection with his resignation from the Company, the key terms of which are described in such discussion of Potential Payments Upon Termination and Change in Control.

6. Executive Perquisites

Consistent with our compensation philosophy to maximize performance-based components of the overall compensation program, perquisites and other personal benefits do not comprise a significant aspect of our executive compensation program. The specific perquisites provided to our Named Executive Officers in 2008 are described below in Section III.D.

F. Equity Award Grant Practices

In light of emerging best practices, the Committee approved revisions to the Company s equity approval process in October 2008. The equity approval process used prior to that time is described in the Company s 2007 proxy statement. The current approval process for granting equity awards to our executives and other employees is summarized below:

Annual Awards: All annual awards made to Section 16 Officers must be approved by the Committee. Grants of annual awards will be effective on the date the Committee meets to approve the award, which is typically at its February meeting. The effective date of annual awards granted in 2008 was March 1, which was determined using the equity approval process then in effect.

Ad hoc Awards: All ad hoc awards made to Section 16 Officers must be approved by the Committee at its regular meetings, special meetings, or through written actions by unanimous consent. The effective date of all ad hoc awards is the later of:

- The first calendar day of the month immediately following the month in which the award was approved;
- The first calendar day of the month following the recipient s effective employment or promotion date; and
- If approved during the last month of a fiscal quarter, the second business day following the issuance of the Company s earnings release for that quarter.

The number of shares of restricted stock, restricted stock units or options granted is determined by converting the dollar value approved by the Committee into a specific number of shares. The conversion process and the process used to determine the exercise price for options are as follows:

Shares, Units or Options Awarded: For shares of restricted stock and restricted stock units, the approved dollar value is divided by the average of the closing price of NCR common stock for the 20 trading days preceding, but not including, the grant date. For options, the approved dollar value is divided by the average of the closing price of NCR common stock for the 20 trading days preceding, but not including, the grant date, and then divided by the current year s Black-Scholes valuation factor.

Exercise Price: The exercise price for stock option awards is the closing market price of our common stock on the effective date of the award; however, if the effective date of the award is on a non-trading day, the exercise price is the closing price on the first prior trading day.

G. Equity Ownership Guidelines

We have adopted stock ownership guidelines for our executive officers, including the Named Executive Officers, which operate to promote commonality of interest between management and our stockholders by encouraging our executives to accumulate a substantial stake in our common stock. The guidelines encourage the executives to accumulate ownership of common stock equal to two times base salary (three times base salary in the case of our CEO) over a period of five years. For these purposes, ownership includes shares owned outright by the executive, interests in restricted stock and restricted stock units, stock acquired through our employee stock purchase plan, and investments in NCR common stock through the Company s Section 401(k) savings plan. Stock options are not taken into consideration in meeting the ownership guidelines.

The guidelines are intended to ensure that our executive officers maintain an equity interest in the Company at a level sufficient to assure our stockholders of our executive officers commitment to value creation. As of December 31, 2008, all of our Named Executive Officers met or exceeded these guidelines, with the exception of Mr. Fishman, who was no longer serving as an executive officer at that time.

H. Tax Deductibility Policy

Under Section 162(m) of the Code, certain compensation in excess of $1 million annually is not deductible for federal income tax purposes unless it is awarded pursuant to a performance-based plan approved by stockholders. We believe that the incentive compensation paid in 2008 to our CEO and three other highest paid Named Executive Officers (other than our Chief Financial Officer) qualifies as performance-based compensation for purposes of Section 162(m) of the Code and is fully deductible for federal income tax purposes. The compensation of our Chief Financial Officer is not subject to the Section 162(m) deduction limitations under current Internal Revenue Service regulations. While we generally try to ensure the deductibility of the incentive compensation paid to our executive officers, the Committee has not adopted a policy that requires all compensation to be deductible because we want to preserve the ability to award cash or equity compensation to an executive that is not deductible under Section 162(m) if we believe that it is in our stockholders best interests.

III. Analysis of Compensation Decisions Made in 2008

In making compensation decisions in 2008, the Committee considered the performance of the Company and relative stockholder return, among other factors that are discussed in this *Compensation Discussion and Analysis*. The Committee determined that, although the trading price of our common stock had decreased during 2008, the decrease was generally due to market conditions rather than the lack of achievement of strong Company operating performance. The Committee determined that the Company s stockholders would benefit in the long-term from executive compensation programs and decisions that continue to motivate and incent our executive officers by rewarding them for strong Company operating performance. In conducting this analysis, the Committee also compared the decline in the trading price of the Company s common stock to that of its peer group in 2008 and determined that it was less than the average decline of the trading price of the common stock of the Company s peer group. The Committee also took into account the loss in value that the Company s executive officers had experienced with respect to their prior equity-based compensation, which was a significant portion of their compensation.

A. Base Salary

Base salary decisions are made after evaluating market data, peer group data, affordability, internal equity among executives, tally sheets and individual performance. The base salaries paid to the Named Executive Officers during 2008 are reported in the Summary Compensation Table on page 38. The table below describes, for each Named Executive Officer, all actions that the Committee took in connection with salary in 2008.

Named Executive Officer	Change in Salary	Rationale
Nuti, William	None	Mr. Nuti did not receive an increase to his base salary in 2008 to ensure that a larger portion of his total compensation was performance-based, thereby holding him more accountable to stockholders.
Massetti, Anthony	$25,000 Increase	See paragraph following this table.
Fishman, Robert	None	Mr. Fishman did not receive an increase to his base salary in 2008.
Collins, Malcolm	None	Mr. Collins did not receive an increase to his base salary in 2008.
Lieb, Peter	$15,000 Increase	A 3.7 percent merit increase was provided to Mr. Lieb to bring him closer to market median for his role as General Counsel and Secretary.
Dorsman, Peter	None	Mr. Dorsman did not receive an increase to his base salary in 2008.

Mr. Massetti joined the Company in January 2008. His initial base salary was established by the Committee after considering market data for chief financial officer roles within four publicly available executive compensation surveys and cash compensation data for chief financial officer positions within our peer group. His initial annual base salary of $475,000 was below median of the general survey data, and between median and 75th percentile of the peer group data. In April 2008, the Committee increased Mr. Massetti s annual base salary retroactively to his hiring date to $500,000 in an effort to position him closer to market median as identified in the survey data.

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B. Short-Term Incentives

The cash incentive awards earned in 2008 and payable in 2009 to each Named Executive Officer were made under the Management Incentive Plan, except for the awards payable to Messrs. Fishman and Collins. Mr. Fishman s award was made under a non-executive incentive plan due to the limited duration of his interim assignment. Mr. Collins award was paid pursuant to the terms of his separation agreement, rather than under the Management Incentive Plan. The awards payable to each Named Executive Officer under the Management Incentive Plan equaled 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. The awards were then adjusted downward by the Committee through the application of negative discretion. Earnings before income taxes is used to determine the awards payable to ensure that bonuses are determined as a percentage of controllable profit. We use a measure that excludes income taxes to ensure that profit is defined based on operating results that the Named Executive Officers can directly influence. The funding percentages were set at a level sufficient to ensure reasonable award 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, such as the spin-off of Teradata Corporation that occurred in 2007. The Management Incentive Plan, including the formula to determine awards payable, was approved by stockholders at the April 26, 2006 Annual Stockholders Meeting.

The Committee used its discretion to adjust the awards earned in 2008 under the Management Incentive Plan downward based on: (i) the 2008 Management Incentive Plan Objectives, which included financial performance objectives and diversity objectives; and (ii) other factors it deemed appropriate, each as discussed below. The table below presents the award payable using the earnings before income taxes formula and the actual awards paid under the Management Incentive Plan for 2008. The awards paid under the Management Incentive Plan in 2008 are also reported in the Summary Compensation Table on page 38 and additional information about these awards is reported in the Grants of Plan-Based Awards Table on page 45.

Named Executive Officer	Award Established by the Formula ($)	Actual Award Granted ($)
Nuti, William	5,559,000	1,375,000
Massetti, Anthony	2,779,500	436,554
Collins, Malcolm*	2,779,500	251,452
Lieb, Peter	2,779,500	311,217
Dorsman, Peter	2,779,500	370,603

* Although Mr. Collins award amount represents the amount he would have earned based on actual performance under the 2008 Management Plan Objectives, such amount was paid pursuant to the terms of his separation agreement, rather than under the Management Incentive Plan.

1. Financial Performance Objectives

The 2008 financial performance objectives established by the Committee in the exercise of its downward discretion were comprised of financial performance metrics at the corporate level and, if applicable, the functional organization level, as illustrated in the table below. The Company moved from a business unit model to a functional organization model in 2008. Consequently, 2008 is the first year in which such metrics have been set at the functional organization level.

The weightings of such performance metrics are also reflected in the table. We determined the target bonus payout as a percent of salary after assessing external market conditions and evaluating annual incentive award levels in our peer group and in the various industries in which we operate. This external research indicated that, depending on the level of responsibility and size of the organization, executives typically have target bonuses in the range of 50 to 100 percent of base salary. Target bonus levels were set based on the executive s level of

responsibility and impact on the success of the business. Depending on the actual performance results, between 0 and 250 percent of each executive s target bonus payout was possible under the financial performance objectives for 2008, with the exception of Mr. Lieb, whose payout could have ranged from 0 to 200 percent of his target bonus.

We structured our 2008 Management Incentive Plan to employ an enhanced power factor for certain participants. The enhanced power factor means that upon reaching target on all of his or her annual financial objectives, the executive begins to earn his or her incentive at an increased rate. For example, a normal incentive payout curve might provide an executive with a 2 percent increase in payout for each 1 percent improvement in achievement against target (normal power factor of 2). With the enhanced power factor, upon reaching or exceeding target on all of his or her objectives, the executive would begin to earn a 4 percent increase in payout for each 1 percent improvement in achievement against target (enhanced power factor of 4). The goal of the enhanced power factor design was to encourage executives to exceed all of their targets, which were all considered important for the success of the Company, rather than concentrating on a few. All of the Named Executive Officers participating in the Management Incentive Plan, with the exception of Mr. Lieb, were eligible for the enhanced factor in 2008. Only those executives with the most direct impact on profitability were chosen to be eligible for the enhanced power factor.

Named Executive Officer	Target Bonus Payout (% of Base Salary)	Weighting of Performance Metrics NPOICC(1)	NPOI(2)	Orders	Revenue	Controllable Gross Margin	Controllable Costs	Asset Management
Nuti, William	100%	100%						
Massetti, Anthony	75%	100%						
Fishman, Robert(3)	45%		100%					
Collins, Malcolm	75%	20%		25%	25%	30%		
Lieb, Peter	60%	100%						
Dorsman, Peter	75%	40%					40%	20%

(1) NPOICC Non-Pension Operating Income after Capital Charge

(2) NPOI Non-Pension Operating Income

(3) Mr. Fishman was paid on NPOI (Non-Pension Operating Income), in accordance with the objectives of the non-executive incentive plan

As the table indicates, at least a portion of each Named Executive Officers annual financial objectives is dependent on the corporate non-pension operating income after capital charge (NPOICC), with the exception of Mr. Fishman. Mr. Fishman was a participant in the Company s Rewards for Results Plan, which is the Company s annual short-term incentive plan for non-executive, non-sales employees. In 2008, the corporate NPOICC threshold, target and maximum performance goals were set at $256.5 million, $300 million, and $365.3 million, respectively, for all Named Executive Officers, with the exception of Mr. Lieb, whose maximum performance goal was set at $387 million. Non-pension operating income (NPOI) is essentially 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. Generally, we exclude the impact of our pension plans when calculating our operating income because their impact on financial performance is better considered over several years, and does not directly relate to an executive officer s performance or the Company s success in operations. In addition, for purposes of determining annual incentive award payouts, from time to time we may also exclude non-operational items, such as significant currency fluctuations, acquisitions or restructurings, when computing NPOI for the Company as a whole or our functional organizations. The NPOI of the Company was adjusted in 2008 for organizational realignment costs, legal costs and the gain on the sale of a manufacturing facility. The NPOI for some functional organizations was also adjusted in 2008 for items that impacted the functional organization s results, but were not included in such functional organization s original 2008 financial plans, including functional organization orders and revenue being adjusted for the impact of foreign currency rate fluctuation and adjustments for 2008 acquisitions.

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 liabilities. As a result, we expect the 2008 Management Incentive Plan Objectives to motivate the Named Executive Officers to prudently manage our assets as they strive to increase revenue and lower operating costs. We use NPOICC as a measure because it reflects our highest business imperative driving growth in profit by increasing revenue and controlling operating costs. We also use this measure because it is simple to calculate and easily understood by both employees and stockholders, and it is a measure that we track throughout the year. As a result, by using NPOICC as a primary consideration in the exercise of negative discretion under the Management Incentive Plan, we believe that we are able to influence behaviors that will lead to our financial success.

For the annual financial objectives in 2008, we set the target level for our NPOICC at our projected one-year business growth objective as we believed that achieving this goal represented a solid step in meeting our long-term strategic financial objectives. We set the operating income and/or revenue target levels to exceed our 2007 operating results (excluding Teradata) by an amount that would represent acceptable growth. In making determinations of the desired threshold, target, and maximum performance levels for each financial and strategic measure, we also considered the general economic climate and the specific market conditions that we were likely to face in the upcoming year in each of the business sectors in which we operate. We also tend to set the threshold, target, and maximum performance levels for annual incentive awards to ensure that the relative level of difficulty of achieving the target level is consistent from year to year. The 2008 annual financial objectives also contained a payout threshold, below which there would be no payout in 2008 unless the Company as a whole achieved, at a minimum, our actual 2007 operating results as measured by NPOI (excluding Teradata).

To provide a sense of how achievable our annual performance metrics are, below is a historical view of how the Company has performed against its corporate NPOICC objectives, as a percentage against target, that have been set for the past six years. As described above, 2008 was the first year in which the Company set metrics at the functional organization level because the Company moved from a business unit model to a functional organization model. Consequently, historical data for functional organization metrics is not available.

Year	Corporate NPOICC
2003	96%
2004	116%
2005	94%
2006	84%
2007	137%
2008	102%

2. Diversity Objectives

The Committee set objectives based on diversity goals that it considered in the exercise of its downward discretion in determining awards payable under the Management Incentive Plan. The diversity objectives were based on the achievement of three measures surrounding the interviewing and hiring of women and ethnic minorities at the management level in the U.S. The amount payable for this objective was based on ten percent of

base salary for each of our Named Executive Officers, with the exception of Mr. Fishman who did not participate in the Management Incentive Plan in 2008. The intent of this incentive program is to drive the appropriate behaviors towards increasing our diversity mix within the Company, which we believe is critical to the success of the Company. This target bonus percentage was determined to be the appropriate amount, as providing anything lower may not be a significant motivator of key behaviors, but anything higher might begin to overshadow other key behaviors driven by our other incentive programs. The diversity objective was based on total Company performance, rather than individual or functional organization performance, in order to better promote the Company-wide efforts to increase the diversity of its domestic workforce.

The measures for the diversity objective were:

1) 25% of open management roles are filled by diverse candidates;
2) 40% of candidates interviewed for the filled management roles are diverse; and
3) An increase in the percentage of diverse employees in the management population versus the prior year.

The diversity objective is earned on an all or none basis. For 2008, all three of the above measures were achieved and each eligible Named Executive Officer received the award payouts.

3. Other Factors Considered in the Exercise of Negative Discretion

In exercising its discretion to reduce the award payable under the Management Incentive Plan, the Committee considered, along with the 2008 Management Incentive Plan Objectives discussed above, the overall exemplary performance of our CEO. The Committee determined that the amount of the award payable under the Management Incentive Plan for this exemplary performance should include a performance-based award of $138,358, so that the total amount of the award payable under the Management Incentive Plan was equal to $1,375,000.

4. Illustration of Downward Discretion

As described above, the awards payable to Named Executive Officers under the Management Incentive Plan equaled 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. However, the Committee then adjusted the awards by applying the financial performance and diversity objectives, along with any other factors it determined to be applicable. For awards earned in 2008, the Committee considered other factors such as individual overall performance, but ultimately applied only the financial performance and diversity metrics to arrive at the amounts paid under the Management Incentive Plan, except in the case of our CEO as described above. The illustration below shows how the Committee determined the award amount payable to our CEO under the Management Incentive Plan in 2008. As explained above, the financial performance and diversity objectives are determined as a percentage of each Named Executive Officer s salary. Thus, for Mr. Nuti:

Award Payable: The award to Mr. Nuti in 2008 based on the 1.5 percent of earnings before income taxes formula was $5,559,000.

Downward Discretion: The Committee applied downward discretion to reduce the award payable to Mr. Nuti to $1,236,642 based on the financial performance and diversity objectives that the Committee had set for him.

- Financial Performance Objective: As described in the discussion on financial performance objectives above, the financial performance objective for Mr. Nuti in 2008 was based solely on NPOICC. The target payout for this metric was 100% of Mr. Nuti s base salary. NPOICC achievement for 2008 was 102 percent of the target goal. Thus, the enhanced power factor was applied because the achievement was over 100 percent. If the Company had met but not exceeded the target goal, the award earned by Mr. Nuti under this component of the objectives would have been 100 percent of his base salary of $1,000,000. If the Company had reached the maximum goal, the award earned by Mr. Nuti under this component of the objectives would have been 250 percent of his base salary of $1,000,000. The actual amount earned under this component is derived from the range between 100 and 250 percent. Based on achievement of 102 percent of the NPOICC target, when the enhanced power factor is applied, the Committee determined Mr. Nuti should be paid $1,136,642 (113.6642 percent of base salary of $1,000,000) for this component of the objectives.

- Diversity Objective: As described in the discussion on diversity objectives above, the achievement of the objective was based on total company performance of the objectives. The diversity objectives were achieved in 2008. The target payout on diversity objectives for Mr. Nuti was 10 percent of base salary. Accordingly, the Committee determined Mr. Nuti should be awarded $100,000 (10 percent of base salary of $1,000,000) for this component of the objectives.

- Other Factors the Committee Deemed Appropriate: In determining how to apply negative discretion to reduce the award payable under the Management Incentive Plan, in addition to the objectives discussed above, the Committee considered, as described page 30, the overall exemplary performance of our CEO during 2008. The Committee determined that the award payable under the Management Incentive Plan should include a performance-based component of $138,358.

Determination of Payment: Based on the above analysis, the Committee determined the amounts to be awarded to Mr. Nuti under the Management Incentive Plan consisted of the items listed below:

Financial Performance Objective	$1,136,642
Diversity Objective	$100,000
Other factors	$138,358
Total	$1,375,000

C. Long-Term Incentives

In 2008, we granted an equity award to each of our Named Executive Officers during the annual awards cycle. In addition, we granted one ad-hoc equity award to our Senior Vice President and Chief Financial Officer (CFO), Mr. Massetti, when he joined the Company in January 2008.

1. Annual Awards

The 2008 annual award levels were determined using both internal and external analytical tools. We rely on the Committee s compensation consultant to validate our assessment of external conditions and to analyze competitive equity award levels in the peer group and in the various industries in which we operate. We use this information, as well as the initial award recommendations of the CEO (in the case of the other Named Executive Officers), to make final decisions. We set the size of the equity awards as a dollar amount to facilitate our comparison of this component with the other components of each executive s compensation package and to aid us in assessing targeted direct compensation.

In 2008, the Named Executive Officers each received an annual equity award divided equally between stock options and performance-based restricted stock units. This mix is consistent with our objective of emphasizing performance-based compensation and provides the most appropriate alignment of executive interests and stockholder interests. A stock option provides a direct link to financial performance as measured by growth in the trading price of our common stock. Both stockholders and executives gain value when the trading price of our common stock increases. At the same time, the value of this form of compensation is reduced or eliminated in markets in which the trading price of our common stock declines. The performance-based restricted stock unit award drives results because its payout and the number of shares earned are directly tied to the achievement of specific pre-determined operating objectives that have been crafted to help us reach our long-term strategic objectives.

We also consider affordability to the Company as a factor in determining the size of each equity award granted. 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 Board of Directors. As mentioned above, FWC also conducts a comprehensive analysis of long-term incentive costs and resulting levels of stockholder value transfer and dilution, which helps the Committee develop an annual budget for aggregate, Company-wide long-term incentives. Additional information on these awards, including the number of shares subject to each award, is reported in the Grants of Plan-Based Awards Table on page 45 and the Outstanding Equity Awards at Fiscal Year-End Table on pages 46-47.

The annual award granted to the CEO was determined by the Committee through analysis of market data and peer group data, as well as consideration of Mr. Nuti s past awards, performance to date and affordability to the Company. The CFO s award was determined at the time of his hire as part of his negotiated offer. The amount of the award was determined through analysis of market data and peer group data. In an effort to build internal equity among their peers, relatively comparable annual awards were granted to Messrs. Collins, Lieb and Dorsman with variations included to recognize the executive s ability to impact the success of the Company s strategic initiatives in 2008, as reflected in the table below. The factors used to determine the annual award amounts were (i) internal equity among peers, (ii) a general equity range among top executives derived from market research, (iii) consideration of any retentive measures that should be taken based on the individual s equity portfolio, and (iv) affordability to the Company. These factors were reviewed by the CEO and the Committee prior to determining each of these Named Executive Officer s annual award. Mr. Fishman was granted an annual award in line with the guideline award granted to employees in his internal grade level in order to encourage Mr. Fishman to remain with the Company and to recognize his outstanding performance during the past year.

Annual Equity Awards Table

Named Executive Officer	Annual Equity Award Value as of Grant Date ($)
Nuti, William	4,500,000
Massetti, Anthony	1,000,000
Fishman, Robert	175,000
Collins, Malcolm	750,000
Lieb, Peter	600,000
Dorsman, Peter	700,000

2. Ad Hoc Awards

Equity awards granted outside the annual award process, known as ad hoc awards, are generally stock options or performance-based restricted stock units. During 2008 only one ad hoc award was made to a Named Executive Officer. This award was a hiring grant for Mr. Massetti with an effective date of February 1, 2008 with an approved value of $2,475,000; $1,100,000 was granted in stock options and $1,375,000 was granted in performance-based restricted stock units. The factors used to determine Mr. Massetti s award were (i) retentive considerations to ensure that he would join and remain with the Company, (ii) consideration of forfeited performance or retention bonuses and unvested equity, and (iii) affordability to the Company.

3. Performance Levels

The various performance levels that are set under the long-term incentive plan are based on the projected long-term growth of our Company. Accordingly, the likelihood of achieving the performance levels is equal to that of achieving the projected long-term growth, which is set at a challenging but achievable level. Currently, no historical achievement data is available on our performance-based equity awards because we have not completed a full performance period, other than the 2006-2008 period, which was adjusted due to the spin-off of Teradata Corporation. The number of performance-based restricted stock units that vest depends upon the achievement of specific ROC and CNOP levels at the end of a three-year performance period, as discussed in more detail in the narrative to the Grants of Plan-Based Awards Table. Although we set threshold, target and maximum levels to determine the amount of the awards that will vest at the end of the performance period, these levels establish a continuum used to determine the actual amount of the awards that will vest. The threshold and maximum levels are generally set at approximately ten percent below and above the target level.

D. Executive Perquisites

As part of the Company s objective to embrace best practices within our executive compensation program, our executives are eligible for a limited offering of perquisites. The perquisites we provide support our objective to attract and retain high quality talent and are designed to allow our executives to focus on their business responsibilities without concern for the situations covered by these perquisites. The Company provided tax reimbursements with respect to perquisites in 2008 on a limited basis only, each of which is described below. In late 2008, the Committee generally discontinued all tax reimbursements going forward, with the exception of tax reimbursements provided in connection with relocations required by the Company, which are generally also provided to all non-executive employees. Each perquisite we provided in 2008 is described below.

Financial Counseling Program: We provide the Named Executive Officers with a $12,000 annual allowance under our Financial Counseling Program to be used for financial and tax planning, estate planning, financial planning-related legal services, and income tax preparation. We believe that providing expert financial counseling reduces the amount of time and attention the Named Executive Officers would otherwise spend on that topic and maximizes the net financial reward they receive under our executive compensation program.

Executive Medical Exam Program: We currently provide our Named Executive Officers reimbursement for up to $5,000 annually under our Executive Medical Program for a comprehensive physical examination and diagnostic testing. This amount was determined by reviewing the offerings presented by the management-approved facility that provides these services and choosing what we believe to be a level appropriate to provide our executives with a broad and comprehensive range of services. We believe that this perquisite benefits our stockholders by encouraging our executives to proactively maintain their health, thereby minimizing health-related disruptions to our business.

Lodging, Meals and Car Rental: Prior to the opening of the Company s New York City office in July 2008, where they are now based, Messrs. Nuti and Lieb were based at our Dayton, Ohio headquarters. While based in Dayton, Messrs. Nuti and Lieb were provided with Company-paid lodging and meals at a Company-owned historical site that the Company uses for meetings and other events. In addition, during this period the Company provided Messrs. Nuti and Lieb with a rental or leased car to commute to work from this facility because they were living away from their primary residences while temporarily based in Dayton. As of July 2008, the Company no longer provides Company-paid lodging, meals or rental or leased cars for Messrs. Nuti and Lieb at the Company s headquarters that are considered perquisites under the executive compensation disclosure rules. Messrs. Nuti and Lieb received tax reimbursements for imputed income incurred up to July 21, 2008 as a result the Company-paid meals, lodging and rental cars associated with commuting to the Dayton, Ohio headquarters. Since July 2008, the Company has provided occasional overnight hotel accommodations near the New York City office to enhance Mr. Nuti s productivity. The Company does not provide Mr. Nuti with a tax reimbursement for imputed income he may incur in connection with such hotel accommodations. The Company also provided Mr. Massetti, who joined the Company in January 2008, with Company-paid lodging and meals at the Company-owned facility in Dayton, as well as the use of a rental car, during 2008. Because the Company required Mr. Massetti to be based at the Dayton, Ohio headquarters on a temporary basis in order to build his organization and develop working relationships with his staff, the Company provided a tax reimbursement to Mr. Massetti for imputed income incurred relating to his temporary location in Dayton, Ohio. While Mr. Collins was with the

Company, he was provided use of a Company-paid car or an equivalent allowance for business, commuting, and personal purposes, as this is a prevalent practice in the U.K., where Mr. Collins was based.

Aircraft and Commercial Flights: Except as described below, our corporate aircraft is available to the Named Executive Officers, as well as other employees, for business-related travel only. We permit the family members of the executive officers, including Named Executive Officers, to accompany them on limited occasions on corporate aircraft as long as such travel is approved by the CEO and the Company does not incur any incremental cost from such use. In addition, in accordance with the terms of our letter agreement with Mr. Nuti (as discussed on page 52), we have authorized the personal use of our corporate aircraft by Mr. Nuti on an as-available basis, provided that the imputed income from such personal use does not exceed $50,000 per year, based on Standard Industry Fare Level Rates (SIFL) as published by the Internal Revenue Service. This amount was increased during 2008 from the original negotiated amount in Mr. Nuti s employment agreement in order to recognize increased SIFL rates since he negotiated his agreement. Mr. Nuti was permitted to use our corporate aircraft for commuting between his residence and work location (while based at the Dayton, Ohio headquarters) on a weekly or less frequent basis. Mr. Lieb was also permitted to use the aircraft for commuting use (while based at the Dayton, Ohio headquarters) on an as-available basis within reasonable limits. In addition, the Company paid for his commute on commercial flights from his residence to his work location at the Dayton, Ohio headquarters. Both executives use of our corporate aircraft is reviewed on a quarterly basis by the Committee. Approved use for commuting purposes was negotiated with these two executives at the time of hire in order to attract these executives, each of whom resided at the point of hire in a geographically distant area. The use of both the corporate aircraft and commercial flights for commuting purposes for Messrs. Nuti and Lieb ceased with the opening of the New York City office in July 2008, because both executives reside in the New York City area and are now based at the Company s New York City office.

Messrs. Nuti and Lieb received tax reimbursements for imputed income incurred up to July 21, 2008 as a result of their commuting use of our corporate aircraft and commercial flights as described above. Tax reimbursements for imputed income relating to personal use of our corporate aircraft were eliminated effective January 1, 2008.

Legal Expenses: In 2008, the Company provided reimbursement for legal expenses incurred by Mr. Nuti relating to the review of his employment agreement in connection with changes required for compliance with Section 409A of the Code.

Security Expenses: Based on the recommendation of an outside security consultant, the Company provided security services to certain Named Executive Officers. The Company provided security risk assessments on Messrs. Nuti and Lieb s residences and security protection to Mr. Nuti and his family while traveling on business out of the country. These security expenses were not eligible for tax reimbursement. For security and personal safety, the Company also required Mr. Nuti to use a Company-provided car and driver in and around the New York area, which may be used by other employees when available. To the extent Mr. Nuti uses such car and driver for commuting purposes, it is considered a perquisite. The Company does not provide Mr. Nuti or any other executive a tax reimbursement for imputed income he or she may incur in connection with such use.

Relocation: During 2008, the Company provided relocation benefits to Messrs. Massetti and Dorsman. Mr. Dorsman relocated to New York and is now based out of the recently-opened New York City office. Mr. Massetti was hired in 2008 and is based temporarily in Dayton, Ohio, but it is expected that he will relocate to New York. Mr. Massetti received tax reimbursements for certain relocation benefits he received in 2008. Mr. Dorsman is expected to receive tax reimbursements in 2009 related to relocation benefits he received in 2008. Such tax reimbursement for relocation benefits is generally consistent with the Company s relocation policies for non-executive employees.

The incremental costs to the Company associated with providing each of these perquisites to the Named Executive Officers are described in the Perquisites Table on page 42.

E. Other Compensation Decisions

In 2008, the Committee assisted the Company in amending its compensation plans, agreements and arrangements, as necessary, to achieve documentary compliance with Section 409A of the Code by considering various design alternatives that comply with Section 409A and reviewing and approving the final terms of such amendments.

The Company also took a number steps in reaction to the sharp downturn in the worldwide economy. In early 2009, the Committee approved changes in the design of the long-term incentive program for 2009 to account for the uncertain economic outlook and the Company s current lower stock price. First, the mix of equity vehicles for the annual grant will be changed from 50 percent stock options and 50 percent performance-based restricted stock units to 100 percent performance-based restricted stock units. This change will keep the annual run rate of equity shares used within a reasonable range because granting in stock options uses more shares. The change also reduces expense to the Company and provides an additional level of security to employees in uncertain times, while maintaining an appropriate focus on performance. Second, the performance period for the performance-based restricted stock units will be one year rather than the historical three-year period because it will be less difficult to set targets for the shorter time period. If we had continued using the three-year performance period during this unpredictable economy, we would have run a greater risk of setting the performance targets too low and achieving maximum payout without much effort, or setting the targets too high and not having any payout, which would cause retention concerns. The metrics and terms of the 2009 annual grants are otherwise generally consistent with the terms of the 2008 annual grants, except that a portion of Mr. Nuti s award is tied to only one performance metric (NPOI) and will vest at 100 percent subject to his continued employment with the Company through February 23, 2012, and the Committee s discretion to adjust the award downward, but not upward.

In early 2009, the Committee also reviewed the NCR Change in Control Severance Plan and the tier levels to which certain executive officer positions are assigned. The amount of certain compensation and benefits payable under the plan is determined by the tier level (Tiers I, II, and III) to which a position is assigned. Based on its review, the Committee revised the tier level for certain positions. As a result of this change, effective as of February 23, 2009, certain compensation and benefits under the plan were reduced for the affected executive officers, including Named Executive Officers. In particular, the positions of Messrs. Massetti and Dorsman were reduced from Tier I to Tier II, meaning that the multiplier used to determine certain compensation and benefits under the plan was reduced from 300 percent to 200 percent. No executive officer had an increase in compensation or benefits payable under the plan as a result of these changes. Additional information regarding the Change in Control Severance Plan is provided in the Potential Payments Upon Termination or Change in Control beginning on page 51 of this proxy statement.

COMPENSATION TABLES

Summary Compensation Table

The table that follows this discussion shows the total compensation paid to or earned by each of our Named Executive Officers for the fiscal year ended December 31, 2008. In addition, for the 2008 Named Executive Officers who were also Named Executive Officers in 2007 and/or 2006, the table shows the total compensation paid to or earned by each such executive officer for the fiscal years ending December 31, 2007 and December 31, 2006. The compensation reported in the table consists of: salary (column (c)); non-performance-based bonuses (column (d)); stock awards (column (e)); option awards (column (f)); non-equity incentive plan compensation (column (g)); the aggregate change in actuarial values in each of the Named Executive Officer s benefits under the Company s various qualified and nonqualified defined pension benefit plans, which is applicable only to Messrs. Fishman and Dorsman (column (h)); and all other compensation not properly reportable in any other column (column (i)).

The amounts reported in columns (e) and (f) (stock awards and option awards, respectively) are the dollar amount recognized for financial statement reporting purposes in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards no. 123 (revised 2004), Share Based Payment (FAS 123R). The amounts reported in column (g) for 2008 consist of payments made in March 2009 with respect to the Company s Management Incentive Plan. For more information regarding the Management Incentive Plan measurement criteria and eligibility, see the Grants of Plan-Based Awards table on page 45 of this proxy statement. The amounts reported in column (i) consist of the aggregate incremental cost to the Company of the perquisites provided to the Named Executive Officer in 2008, contributions made by the Company to the Company s Savings Plan on behalf of each of the Named Executive Officers, any insurance premiums paid by the Company with respect to life insurance for the benefit of the Named Executive Officers and tax reimbursements made to the Named Executive Officers during 2008, as detailed in the All Other Compensation Table below.

FAS 123R Expense vs. Value of Stock and Option Awards Granted to Named Executive Officers in 2008

The recognized compensation expense reported in the Summary Compensation Table for stock and option awards (the FAS 123R expense) differs from the compensation value of such awards actually realized by each Named Executive Officer because the FAS 123R expense represents the total expense for 2008, which includes expense relating to awards received in and prior to 2008. In order to assist our stockholders in understanding the differences between the FAS 123R expense to the Company and the value actually realized by the Named Executive Officer, we have provided a supplemental table below the Summary Compensation Table to show the variations among (i) the FAS 123R expense that is reported in the Summary Compensation Table for stock and options awards, which includes expense relating to awards received in and prior to 2008, (ii) the grant date fair value of stock and option awards granted in 2008 only, and (iii) the market value of stock awards and the intrinsic value of option awards received in 2008 only (the market value of stock awards is calculated using the closing trading price of NCR common stock on December 31, 2008 of $14.14, and the intrinsic value of option awards is calculated using the difference between the value of the option based on the closing trading price of NCR common stock on December 31, 2008 of $14.14 and the option exercise price). The supplemental table is provided only to assist stockholders in their understanding of our Company s compensation structure, and does not replace the Summary Compensation Table required by SEC disclosure rules.

Because the Company incurred additional FAS 123R expense due to the modification of the grants in connection with the spin-off of Teradata Corporation and over-performance against performance targets, the difference between the FAS 123R expense and the grant date fair value is significant in some cases. The supplemental table shows this difference for each of our Named Executive Officers and shows the impact on the 2008 total compensation for each Named Executive Officer. For example, as reported in the Summary Compensation Table, Mr. Nuti s total compensation in 2008 using the FAS 123R expense for stock and option awards was

$12,856,018. The supplemental table illustrates that if Mr. Nuti s compensation had been reported using the grant date fair value of the stock and option awards he received in 2008, rather than using the FAS 123R expense incurred by the Company in connection with all outstanding awards, his total compensation in 2008 would have been $7,225,370. Thus, in 2008, approximately $5,630,648 of the total compensation reported in the Summary Compensation Table for Mr. Nuti is attributable to inclusion of FAS 123R expense relating to awards received in and prior to 2008.

Employment Agreements

During 2008, Messrs. Nuti, Massetti, Fishman, Collins, Lieb and Dorsman served as executive officers of the Company pursuant to letter agreements with the Company. All letter agreements were entered into prior to 2008 and were described in the proxy statement for the relevant year. Each letter agreement sets forth, among other things, the Named Executive Officer s initial base salary, bonus opportunities, entitlement to participate in the Company s benefit plans and initial equity awards. Any adjustments to these terms have been described in Section III of this *Compensation Discussion and Analysis*. None of the letter agreements has a fixed expiration date.

In late 2007, we entered into a letter agreement with Mr. Massetti pertaining to his services as CFO. Pursuant to the terms of the letter agreement, Mr. Massetti s annual base salary, as of January 28, 2008, was $475,000. The Committee later approved a retroactive increase of $25,000 to his annual base salary. See Section III.A for further discussion of this retroactive increase. The letter agreement also provided that Mr. Massetti was eligible for the following: a bonus opportunity under the Management Incentive Plan; temporary housing, meals and rental car (prior to his Company assisted relocation to the New York City office); and participation in the Company s Change in Control Severance Plan. See pages 27-30 and page 51 for further discussion of potential bonus awards under the Management Incentive Plan and compensation and benefits under the Change in Control Severance Plan, respectively. Finally, the letter agreement also provided for an initial hiring grant of stock options and performance-based restricted stock units with an approved value of $2,475,000.

2008 Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($) (e)(2)	Option Awards ($) (f)(3)	Non-Equity Incentive Plan Compensation($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (h)	All Other Compensation($) (i)	Total ($) (j)
Nuti, William	2008	1,000,000	0	4,138,769	5,937,405	1,375,000	0	404,844	12,856,018
Chairman of the Board, Chief Executive Officer and	2007	1,000,000	0	4,131,140	8,755,214	2,368,432	0	556,788	16,811,574
President	2006	1,000,000	0	1,460,125	3,230,347	935,140	0	349,471	6,975,083
Massetti, Anthony	2008	463,798	0	530,290	238,705	436,554	0	154,302	1,823,649
Senior Vice President and Chief Financial Officer									
Fishman, Robert	2008	240,000	0	161,363	100,455	107,654	11,909	12,251	633,632
Former Interim Chief Financial Officer	2007	226,483	0	93,510	61,800	270,318	0[(4)]	10,768	662,879
Collins, Malcolm (1)	2008	494,967	0	1,109,453	478,247	251,452	0	42,662	2,376,781
Former Senior Vice President, Global Sales &	2007	522,832	0	1,293,920	386,441	575,489	0	41,017	2,819,699
Marketing	2006	367,803	464,514	336,823	249,350	38,555	0	136,281	1,593,326
Lieb, Peter	2008	416,045	0	743,238	352,900	311,217	0	65,987	1,889,387
Senior Vice President and General Counsel	2007	400,923	0	874,331	277,135	373,029	0	145,043	2,070,461
Dorsman, Peter	2008	380,000	0	459,184	240,438	370,603	15,632	222,222	1,688,079
Senior Vice President, Global Operations									

(1) While he was with the Company, Mr. Collins was based in the U.K., and his annual base salary was in Great Britain Pounds (GBP). The amounts reported in the Summary Compensation Table with respect to Mr. Collins are in U.S. dollars and were converted from GBP using the average exchange rate for the month in which each payment was made or accrued, as applicable, except that his Non-Equity Incentive Compensation amount was converted from GBP using the average exchange rate for January 2009.

(2) The amounts reported in this column are equal to the dollar amount recognized for financial statement reporting purposes in 2008 in connection with performance-based restricted stock or units granted under the Company s Management Stock Plan, which was effective through April 25, 2006, and the Company s Stock Incentive Plan, which was approved by the Company s stockholders and became effective on April 26, 2006. With respect to performance-based restricted stock or units granted in 2008, 2007 and 2006, see Note 8 to the Consolidated Financial Statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2008 for a discussion of the relevant assumptions used in calculating the dollar amount recognized for financial statement reporting purposes with respect to the applicable fiscal year in accordance with FAS 123R. For further information about awards made in 2008, see the Grants of Plan-Based Awards table on page 45 of this proxy statement.

(3) The amounts reported in this column are equal to the dollar amount recognized for financial statement reporting purposes in 2008, 2007 and 2006 in connection with options granted under the Company s Management Stock Plan, which was effective through April 25, 2006, and the Company s Stock Incentive Plan, which was approved by the Company s stockholders and became effective on April 26, 2006. With respect to options granted in 2008, 2007, 2006, and 2005 see Note 8 to the Consolidated Financial Statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2008 for a discussion of the relevant assumptions used in calculating the dollar amount recognized for financial statement reporting purposes with respect to the applicable fiscal year in accordance with FAS 123R. For further information about awards made in 2008, see the Grants of Plan-Based Awards table on page 45 of this proxy statement.

(4) In the 2007 Summary Compensation Table, the amount reported in this column was ($5,064) due to a change to mortality rates offset by an increase in the discount rate.

Supplemental Table

As described in the discussion above the Summary Compensation Table, the supplemental table below illustrates the variations among (i) the FAS 123R expense value that is reported in the Summary Compensation Table for stock and options awards, which includes expense relating to awards granted in and prior to 2008, (ii) the grant date fair value of stock and option awards received in 2008 only, and (iii) the market value of stock awards and the intrinsic value of option awards received in 2008 only (the market value of stock awards is calculated using the closing trading price of NCR common stock on December 31, 2008 of $14.14, and the intrinsic value of option awards is calculated using the difference between the value of the option based on the closing trading price of NCR common stock on December 31, 2008 of $14.14 and the option exercise price).

Named Executive Officer	Compensation Component	Amount Reported in Summary Compensation Table using Total 2008 FAS 123R Expense (includes expense for awards received in and prior to 2008) ($) (a)	Amount Using Grant Date Fair Value of Awards Received in 2008 ($) (b)	Amount Using Value of Awards Received in 2008 Calculated at the December 31, 2008 Closing Stock Price ($) (c)
Nuti, William	Stock Awards	4,138,769	2,222,759	1,418,313
	Option Awards	5,937,405	2,222,767	0
	Total Compensation(1)	12,856,018	7,225,370	4,198,157
Massetti, Anthony	Stock Awards	530,290	1,889,867	1,202,296
	Option Awards	238,705	1,610,690	0
	Total Compensation(1)	1,823,649	4,555,211	2,256,950
Fishman, Robert	Stock Awards	161,363	86,446	55,160
	Option Awards	100,455	86,438	0
	Total Compensation(1)	633,632	544,698	426,974
Collins, Malcolm	Stock Awards	1,109,453	370,471	236,393
	Option Awards	478,247	370,462	0
	Total Compensation(1)	2,376,781	1,530,014	1,025,474
Lieb, Peter	Stock Awards	743,238	296,368	189,108
	Option Awards	352,900	296,372	0
	Total Compensation(1)	1,889,387	1,385,989	982,357
Dorsman, Peter	Stock Awards	459,184	345,762	220,626
	Option Awards	240,438	345,760	0
	Total Compensation(1)	1,688,079	1,679,979	1,209,083

(1) The Total Compensation amount in the table above includes the stock awards and option awards shown in the table, as well as the non-equity compensation components listed in the Summary Compensation Table. For example, the non-equity compensation components for Mr. Nuti include Salary: $1,000,000; Bonus: $0; Non-Equity Incentive Plan Compensation: $1,375,000; Change in Pension Value and Nonqualified Deferred Compensation Earnings: $0; and All Other Compensation: $404,844, which totals $2,779,844. When this figure is added to the stock awards and option awards in columns (a), (b) and (c) in the table above, the total compensation for Mr. Nuti is $12,856,018, $7,225,370 and $4,198,157, respectively.

2008 All Other Compensation Table

The table below shows the value of perquisites, tax reimbursements (the value of tax gross-ups paid to our Named Executive Officers), insurance premiums paid by the Company with respect to life insurance, and Company contributions to the Company Savings Plan made on behalf of each of the Named Executive Officers. There were no severance or change in control accruals made in 2008.

The amounts reported in column (A) reflect the aggregate incremental cost to the Company in fiscal year 2008 for the items set forth in the Perquisites Table on page 42. Perquisites, other than corporate aircraft usage, Company-provided car and driver, and temporary housing at a Company-owned location in Dayton, Ohio, are valued at the actual amount paid to each provider of such perquisites, or if applicable, to the Named Executive Officer for use in connection with a perquisite program. The amounts reported in column (B) are related to the tax reimbursements Messrs. Nuti, Massetti, and Lieb received relating to their living expenses in Dayton, Ohio, and for tax reimbursements to Mr. Massetti relating to relocation benefits. Additionally, a portion of the tax reimbursement for Mr. Nuti was related to the use of the corporate aircraft for commuting purposes. The tax reimbursements relating to Messrs. Nuti and Lieb s commuting expenses ceased upon the opening of the New York City office in July 2008. Due to security concerns, the Company provides a Company-provided car and driver to Mr. Nuti for use in and around the New York area, and on an as-available basis to other executives; however, the Company does not provide any tax reimbursement with respect to the use of such car and driver. Tax reimbursements to Mr. Massetti relating to the provision of Company-paid lodging and meals at a Company-owned facility, as well as the use of a rental car, ceased as of December 31, 2008. Because the Company required Mr. Massetti to be based at the Dayton, Ohio headquarters on a temporary basis in order to build his organization and develop working relationships with his staff, the Company provided a tax reimbursement to Mr. Massetti for imputed income incurred relating to his temporary location in Dayton, Ohio through and ending on December 31, 2008.

The amounts reported in column (C) include the dollar value of any insurance premiums paid by the Company with respect to life insurance for the benefit of the Named Executive Officers. The amounts reported in column (D) consist of contributions made by the Company to the Company s Savings Plan on behalf of each of the Named Executive Officers. The Company also provides such contributions on behalf of its non-executive employees.

Name	Year	Perquisites and Other Personal Benefits ($) (A)	Tax Reimbursements ($) (B)	Insurance Premiums ($) (C)	Company Contributions to Retirement and 401(k) Plans ($) (D)	Total ($)
Nuti, William	2008	367,832	23,205	2,736	11,071	404,844
	2007	481,554	62,075	2,088	11,071	556,788
	2006	317,208	19,461	2,088	10,714	349,471
Massetti, Anthony	2008	112,305	35,197	1,544	5,256	154,302
Fishman, Robert	2008	0	0	1,094	11,157	12,251
	2007	0	0	594	10,174	10,768
Collins, Malcolm[(1)]	2008	30,873	0	743	11,046	42,662
	2007	31,932	0	669	8,416	41,017
	2006	132,084	0	519	3,678	136,281
Lieb, Peter	2008	35,365	17,704	1,847	11,071	65,987
	2007	97,222	35,695	1,340	10,786	145,043
Dorsman, Peter	2008	210,984	0	1,733	9,505	222,222

(1) For Mr. Collins, the amount reported in column C was converted from GBP using the average monthly exchange rate for the month in which the premium was paid.

2008 Perquisites Table

The table below shows the aggregate incremental cost of perquisites provided to the Named Executive Officers during 2008. Throughout this table, the notation NE indicates that an executive was not eligible or authorized to receive a specific perquisite.

The amounts reported in column (a) represent the incremental cost to the Company of commuting and personal usage of the corporate aircraft. The amounts reported for Mr. Nuti relate to commuting flights between his residence and the Dayton, Ohio headquarters and personal usage of the corporate aircraft. The amounts reported for Mr. Lieb relate to commercial commuting flights. On shared corporate aircraft flights on which both Messrs. Nuti and Lieb were present, incremental costs were charged fully to Mr. Nuti. The incremental cost to the Company of commuting or personal usage of corporate aircraft was calculated by determining the variable operating cost to the Company, which includes items such as fuel, landing and terminal fees, crew travel expenses and operational maintenance. Expenses that were determined to be less variable in nature, such as general administration, depreciation, and pilot compensation, were not included in the determination of the Company s incremental cost. On occasion, other individuals traveled with Named Executive Officers on corporate aircraft; however, the Company incurred de minimis incremental costs as a result of such travel.

The amounts reported in column (b) represent the incremental cost the Company incurred in connection with providing temporary housing for Messrs. Nuti, Lieb and Massetti at a Company-owned location near the Dayton, Ohio headquarters. Column (b) also includes the incremental cost to the Company in providing hotel accommodations to Mr. Nuti. The amounts reported in column (c) represent the payments made by the Company for meals and other miscellaneous living expenses for Messrs. Nuti, Lieb and Massetti while they stayed at Company-owned lodging near the Company s headquarters. The amounts reported in column (d) represent legal expenses paid by the Company on Mr. Nuti s behalf for review of his employment agreement in connection with changes required for compliance with Section 409A of the Code. The amounts reported in column (e) represent payments made by the Company for security risk assessments performed on Messrs. Nuti and Lieb s residences and security protection provided to Mr. Nuti and his family, as well as the Company-provided car and driver Mr. Nuti is required to use for security purposes in and around the New York area. Column (f) represents the amounts paid to or on behalf of Messrs. Massetti and Dorsman in connection with their planned relocation and relocation, respectively, to the New York City office. The amounts in column (g) represent the car allowance paid to Mr. Collins, and the amounts paid for rental cars for Messrs. Nuti, Massetti and Lieb for commuting purposes while they were based in Dayton, Ohio.

In 2006, the Company implemented an executive medical program, which provided reimbursement of up to $5,000 for each executive to receive medical diagnostic services at a designated medical facility. Although not all of the Named Executive Officers used all of their allowance in 2008, due to privacy considerations associated with the receipt of medical services, the Company has elected to disclose the total amount of the maximum benefit available to each executive in column (h), rather than the amounts actually used by each individual.

The amounts reported in column (i) represent the payment made by the Company to each executive for financial planning assistance, as part of the Company s Financial Planning Allowance Program.

Named Executive Officer	Year	Corporate/ Commercial Aircraft Usage ($)(a)	Temporary Housing Expenses ($)(b)	Meals ($)(c)	Legal Expenses ($)(d)	Security ($)(e)	Relocation ($)(f)	Rental /Lease Cars ($)(g)	Executive Medical Program ($)(h)	Financial Planning Allowance ($)(i)	Total ($)
Nuti, William	2008	267,802	6,415	528	9,188	65,355					