NCR CORP
Form DEF 14A
March 12, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

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

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

NCR CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

(1) Title of each class of securities to which the transaction applies:
(2) Aggregate number of securities to which the transaction applies:
(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of the transaction:
(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

NOTICE OF 2015 ANNUAL MEETING

AND PROXY STATEMENT

March 12, 2015

Dear Fellow NCR Stockholder:

I am pleased to invite you to attend the 2015 Annual Meeting of Stockholders (the Annual Meeting) for NCR Corporation, a Maryland corporation (NCR or the Company) that will be held on April 22, 2015, at 9:00 a.m. Eastern Time. This year, the Annual Meeting will be a virtual meeting of stockholders. You will be able to attend the Annual Meeting, vote and submit questions during the Annual Meeting via a live webcast by visiting www.virtualshareholdermeeting.com/NCR. As in the past, prior to the Annual Meeting you will be able to vote at www.proxyvote.com on the matters submitted for stockholder approval at the Annual Meeting and we encourage you to do so.

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.

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

Your vote is important. Whether or not you plan to virtually 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 via webcast on April 22, 2015.

Sincerely,

William R. Nuti

Chairman of the Board,

Chief Executive Officer and President

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS OF NCR CORPORATION

Time:

9:00 a.m. Eastern Time

Date:

Wednesday, April 22, 2015

Place:

Virtual Meeting via webcast at www.virtualshareholdermeeting.com/NCR

Purpose:

Elect three Class A directors identified in this proxy statement to hold office for three-year terms and one Class C director to hold office for a two-year term, or until his or her respective successor is duly elected and qualified;
Consider and vote upon the ratification of the appointment of PricewaterhouseCoopers LLC (PricewaterhouseCoopers) as the Company s independent registered public accounting firm for 2015;
Consider and vote to approve, on an advisory basis, executive compensation (say on pay) as disclosed in these proxy materials;
Consider and vote upon a directors proposal to approve the amendment and restatement of the NCR Corporation Economic Profit Plan for purposes of Section 162(m) of the Internal Revenue Code;
Consider and vote upon a directors proposal to amend and restate the charter of the Company to eliminate the supermajority provisions contemplated by the Maryland General Corporation Law and the Company s charter;
Consider and vote upon a directors proposal to amend the charter of the Company to eliminate the classification of the Board of Directors of the Company and provide for the annual election of all directors elected at or after the Company s 2016 Annual Meeting of Stockholders; and
Transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.

Other Important Information:

Registered holders of NCR common stock at the close of business on February 10, 2015 may vote at the meeting.

Your shares cannot be voted unless they are represented by proxy or in person by the record holder attending the meeting via webcast. **Even if you plan to attend the meeting via webcast, please authorize your proxy.**
If you wish to watch the webcast at a location provided by the Company, the Company s Maryland counsel, Venable LLP, will air the webcast at its offices located at 750 E. Pratt Street, Suite 900, Baltimore, MD 21202. Please note that no members of management or the Board will be in attendance at this location. If you wish to view the Annual Meeting via webcast at Venable LLP s office, please follow the directions for doing so set forth in the Annual Meeting Admission section in this proxy statement.

By order of the Board of Directors,

Edward Gallagher

Acting General Counsel and Secretary

March 12, 2015

Important Notice Regarding the Availability of Proxy Materials for the

Stockholder Meeting to Be Held on April 22, 2015

This proxy statement and NCR s 2014 Annual Report on Form 10-K are available at www.proxyvote.com.

NCR Corporation

3097 Satellite Boulevard

Duluth, Georgia 30096

PROXY STATEMENT

GENERAL INFORMATION

These materials are intended to solicit proxies on behalf of the Board of Directors of NCR Corporation, a Maryland corporation (which we refer to as NCR, the Company, we, or us), for the 2015 Annual Meeting of Stockholders (Annual Meeting), including any adjournment or postponement thereof. This year, the Annual Meeting will be a virtual meeting of stockholders. You will be able to attend the Annual Meeting, vote and submit questions during the Annual Meeting via a live webcast by visiting www.virtualshareholdermeeting.com/NCR. The meeting will convene at 9:00 a.m. Eastern Time on April 22, 2015.

Delivery of Proxy Materials

We are providing access to our proxy materials (including this proxy statement, together with a notice of meeting and the Company s annual report) on the Internet pursuant to rules adopted by the Securities and Exchange Commission (SEC). Accordingly, beginning on or about March 12, 2015 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, 2015. If requesting materials 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 12, 2015, the proxy materials on the website referred to in the Notice or to 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 us at 250 Greenwich Street, 35th Floor, New York, NY 10007 or call us at 1-800-225-5627 to request separate copies of the proxy materials at no cost to you. If you have received only one copy of the Notice and you do not wish to participate in the householding program or if you have received multiple copies of the Notice and you do wish to participate in the householding program, please call 1-800-542-1061 to opt-in, opt-out or revoke your consent.

Stockholders Entitled to Vote at the Meeting

If you were a registered stockholder at the close of business on the record date for the meeting, February 10, 2015, you are entitled to vote at the meeting. There were 168,684,913 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 proxy materials for the Annual Meeting on the Internet; and
- instruct us to send you all future proxy materials by email.

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

How to Vote Your Shares

Your vote is important. Your shares can be voted at the Annual Meeting only if you are present in person via attendance at the virtual meeting by webcast or represented by proxy. Even if you plan to attend the virtual meeting, we urge you to authorize your proxy in advance. We encourage you to authorize your proxy electronically by going to the www.proxyvote.com website or by calling the toll-free number (for residents of the United States and Canada) listed on your proxy card. Please have your proxy card in hand when going online or calling. ***If you authorize your proxy electronically, you do not need to return your proxy card.*** If you received proxy materials by mail and choose to authorize your proxy by mail, simply mark your proxy card, and then date, sign and return it in the postage-paid envelope provided so it is received no later than April 21, 2015.

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

How to Revoke Your Proxy

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

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

sending a written notice of revocation to the inspector of election in care of the Corporate Secretary of the Company at 250 Greenwich Street, 35th Floor, New York, NY 10007 so it is received no later than April 21, 2015.

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 Virtual Annual Meeting if you later decide to vote during that meeting. If you hold your shares in street name, you must obtain a proxy executed in your favor from your nominee (such as your 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 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, Wells Fargo Bank, N.A. for NCR, your proxy includes the NCR common stock held in your DSPP account. Wells Fargo Bank, N.A., 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 by telephone, the Internet or by mail.

Quorum for the Meeting; Votes Required to Approve Each Item

The presence at the meeting (in person via attendance at the virtual meeting or by proxy) of 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 10, 2015 constitutes a quorum allowing us to conduct business at the meeting. A majority of all the votes cast (in person via attendance at the virtual meeting or by proxy) is required to elect directors, to ratify the appointment of our independent registered public accounting firm, to approve the non-binding advisory vote on executive compensation, and to approve the directors proposal to approve the amendment and restatement of the NCR Corporation Economic Profit Plan for purposes of Section 162(m) of the Internal Revenue Code. Under Maryland law, abstention and broker non-votes will not be counted as votes cast and will have no effect on the votes for the proposals described above.

With respect to both: (i) the directors proposal to amend and restate the Company s charter to eliminate the supermajority provisions contemplated by the Maryland General Corporation Law and the Company s charter, and (ii) the directors proposal to amend the charter of the Company to eliminate the classified Board of Directors of the Company and provide for annual election of all directors elected at or after the Company s 2016 Annual Meeting of Stockholders, 80% of the shares of the outstanding stock of the Company entitled to vote generally in the election of directors is required in order to approve both of these proposals. Under Maryland law, abstentions and broker non-votes will not be counted as votes cast and will have the effect of a vote against these two items. A broker non-vote occurs when a broker returns a properly executed proxy but does not vote on a particular proposal because the broker does not have the discretionary authority to vote on the proposal and has not received voting instructions from the beneficial owner regarding the proposal. Under the rules of the New York Stock Exchange (NYSE), brokers have the discretionary authority to vote on the ratification of our independent registered public accounting firm, but not for the election of our directors, the non-binding advisory vote on executive compensation, the directors proposal to approve the amendment and restatement of the NCR Corporation Economic Profit Plan for purposes of Section 162(m) of the Internal Revenue Code, the directors proposal to amend and restate the Company s charter to eliminate the supermajority provisions contemplated by the Maryland General Corporation Law and the Company s charter, or the directors proposal to amend the charter of the Company to eliminate the classified Board of Directors of the Company and provide for annual election of all directors elected at or after the Company s 2016 Annual Meeting of Stockholders.

Annual Meeting Admission

You may attend the virtual Annual 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 wish to watch the webcast at a location provided by the Company, the Company s Maryland counsel, Venable LLP, will air the webcast at its offices located at 750 E. Pratt Street, Suite 900, Baltimore, MD 21202. Please note that no members of management or the Board will be in attendance at this location. If you wish to view the Annual Meeting via webcast at Venable LLP s office, please complete the Reservation Request Form found at the end of this proxy statement.

Annual Meeting Voting Results

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

The Board s Recommendations

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

FOR the election of each of the three Class A director nominees and the one Class C director nominee;

FOR ratification of the appointment of PricewaterhouseCoopers as the Company s independent registered public accounting firm for 2015;

FOR the approval, on an advisory basis, of executive compensation as disclosed in these proxy materials;

FOR the approval of the directors proposal to approve the amendment and restatement of the NCR Corporation Economic Profit Plan for purposes of Section 162(m) of the Internal Revenue Code;

FOR the directors proposal to amend and restate the charter of the Company to eliminate the supermajority provisions contemplated by the Maryland General Corporation Law and the Company s charter; and

FOR the directors proposal to amend the charter of the Company to eliminate the classification of the Board of Directors of the Company and provide for the annual election of all directors elected at or after the Company s 2016 Annual Meeting of Stockholders.

STOCK OWNERSHIP

Ownership by Officers and Directors

The following table reflects the NCR common stock beneficially owned, as determined under the applicable SEC rules, as of February 10, 2015 (the Table Date) by (i) each current or former executive officer named in the Summary Compensation Table below on page 48 (the Named Executive Officers or NEOs), (ii) each non-employee director and nominee, and (iii) all current directors and executive officers as a group. Except to the extent indicated in the footnotes below, to NCR s knowledge, each person named in the table below has sole voting and investment power over the shares reported. As of the Table Date, 168,684,913 shares of the Company s common stock were issued and outstanding.

	Total Shares Beneficially Owned[(1)(2)]	Percent	Number of Shares Subject to Options Exercisable Within 60 Days of February 10, 2015	Number of RSUs That Vest Within 60 Days of February 10, 2015[(3)]
Non-Employee Directors				
Edward (Pete) Boykin, independent Lead Director	190,319	*	68,143	
Richard L. Clemmer, Director	131,544	*	61,167	
Gary J. Daichendt, Director	131,373	*	68,143	
Robert P. DeRodes, Director	119,480	*	61,167	
Kurt P. Kuehn, Director	26,705	*	10,039	
Linda Fayne Levinson, Director	173,628	*	76,143	
Richard T. (Mick) McGuire III, Director	10,850,488[(4)]	6.5%		677
Deanna W. Oppenheimer, Director	21,677	*	6,849	
Named Executive Officers				
William R. Nuti, Director and Officer	424,403	*	63,552	151,857
Robert P. Fishman, Officer	20,282	*	0	20,248
Andrew S. Heyman, Officer	25,309	*	0	25,309
Frederick J. Marquardt, Officer	77,580	*	20,312	16,872
Michael B. Bayer, Officer				
Current Directors, Named Executive Officers and remaining Executive Officers as a Group (14 persons)	12,192,788	7.2%	435,515	214,963

(1) The number of shares beneficially owned by each person as of the Table Date includes shares of NCR common stock that such person had the right to acquire on or within 60 days after that date, including, but not limited to, upon the exercise of options and vesting and payment of restricted stock units. This does not include restricted stock units granted as of the Table Date that vest more than 60 days after the Table Date which, in the case of our NEOs, is as follows: Mr. Nuti 435,975; Mr. Bayer 33,036; Mr. Fishman 60,002; Mr. Heyman 74,540; and Mr. Marquardt 59,257.

(2) Some of NCR s executive officers and directors own fractional shares of NCR common stock. For purposes of this table, all fractional shares have been rounded to the nearest whole number. This column also includes 93,886 shares granted to Mr. Boykin; 65,377 shares granted to Mr. Clemmer; 24,957 shares granted to Mr. DeRodes; 14,786 shares granted to Mr. Kuehn; 8,077 shares granted to Ms. Levinson; 2,711 shares granted to Mr. McGuire; and 9,143 shares granted to Ms. Oppenheimer.

(3) This column reflects those shares the officers and directors have the right to acquire through restricted stock vesting on or within 60 days after the Table Date, ignoring the withholding of shares of NCR common stock to cover applicable taxes. These shares are also included in the Total Shares Beneficially Owned column.

(4) Mr. McGuire is the managing partner of Marcato Capital Management LP, an entity that serves as investment adviser of Marcato, L.P., Marcato II, L.P. and Marcato International Master Fund, Ltd., which hold in aggregate 10,850,488 shares of NCR common stock. Mr. McGuire disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein

Other Beneficial Owners of NCR Stock

To the Company s knowledge, and as reported as of February 17, 2015 (except as otherwise specified), the following stockholders beneficially own more than 5% of the Company s outstanding stock.

Name and Address of Beneficial Owner	Total Number of Shares	Percent of Class
Jana Partners LLC(1) 767 Fifth Avenue, 8th Floor New York, NY 10153	12,006,600	7.1%
BlackRock Inc.(2) 55 East 52nd Street New York, NY 10022	10,895,676	6.5%
Marcato Capital Management LP(3) One Montgomery Street, Suite 3250 San Francisco, CA 94104	10,850,488	6.5%
The Vanguard Group(4) 100 Vanguard Boulevard Malvern, PA 19355	9,779,085	5.8%
FMR LLC(5) 245 Summer Street Boston, MA 02210	8,755,150	5.2%

(1) Information is based on a Schedule 13G filed with the SEC on February 17, 2015 by Jana Partners LLC (Jana), reporting beneficial ownership of 12,006,600 shares of the Company s stock as of December 31, 2014. Jana is a private money management firm that holds the Company s stock in various accounts under its management and control, and its principal owner is Barry Rosenstein. Jana reported sole dispositive and voting power with respect to all 12,006,600 of such shares.

(2) Information is based on a Schedule 13G/A filed with the SEC on January 29, 2015 by BlackRock, Inc. (BlackRock), reporting beneficial ownership of 10,895,676 shares of the Company s stock as of December 31, 2014, as a parent holding company or control person for its subsidiaries, BlackRock Advisors (UK) Limited, BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Asset Management North Asia Limited, BlackRock Fund Advisors, BlackRock Fund Managers Ltd., BlackRock Institutional Trust Company, N.A., BlackRock International Limited, BlackRock Investment Management (Australia) Limited, BlackRock Investment Management (UK) Ltd., BlackRock Investment Management, LLC and BlackRock Life Limited. In this filing, BlackRock reported sole voting power with respect to 9,965,989 of such shares, and sole dispositive power with respect to all 10,895,676 of such shares.

(3) Information is based on a Schedule 13D filed with the SEC on October 21, 2014, and a Schedule 13D/A filed with the SEC on November 12, 2014, by Marcato Capital Management LP (Marcato Capital Management), Richard T. McGuire III (McGuire), Marcato, L.P. (Marcato L.P.), Marcato II, L.P. (Marcato II) and Marcato International Master Fund, Ltd. (Marcato International). McGuire is the managing partner of Marcato Capital Management, and Marcato Capital Management is the investment manager of Marcato L.P., Marcato II and Marcato International. In these filings, Marcato Capital Management and McGuire

reported shared dispositive and voting power with respect to all 10,850,488 of such shares, Marcato L.P. reported shared dispositive and voting power with respect to 2,556,939 of such shares, Marcato II reported shared dispositive and voting power with respect to 186,370 of such shares, and Marcato International reported shared dispositive and voting power with respect to 8,107,179 of such shares.

(4) Information is based on a Schedule 13G/A filed with the SEC on February 10, 2015 by The Vanguard Group (Vanguard Group), reporting beneficial ownership of 9,779,085 shares of the Company s stock as of December 31, 2014. In this filing, Vanguard Group reported sole dispositive power with respect to 9,681,116 of such shares, sole voting power with respect to 112,336 of such shares, and shared dispositive power with respect to 97,969 of such shares. Vanguard Group also reported that Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc. may be deemed to have beneficial ownership of 97,969 of such shares as investment manager of certain collective trust accounts, and that Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., may be deemed to have beneficial ownership of 14,367 of such shares as a result of serving as investment manager of certain Australian investment offerings.

(5) Information is based on a Schedule 13G/A filed with the SEC on February 13, 2015 by FMR LLC (FMR), Edward C. Johnson 3d (Edward Johnson) and Abigail P. Johnson (Abigail Johnson) reporting beneficial ownership of the Company s stock as of December 31, 2014, on behalf of FMR s direct and indirect subsidiaries including FMR Co., Inc., Pyramis Global Advisors Trust Company, Pyramis Global Advisors, LLC and Strategic Advisers, Inc. In this filing, FMR reported sole voting power with respect to 2,772,555 of such shares, and sole dispositive power with respect to all 8,755,150 of such shares, and Edward Johnson and Abigail Johnson each reported sole dispositive power with respect to all 8,755,150 of such shares. Edward Johnson is Chairman of FMR, and Abigail Johnson is a Director, the Vice Chairman and the Chief Executive Officer and President of FMR, and members of the family of Edward Johnson, including Abigail Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR (which represent 49% of the voting power of FMR) and have entered into a shareholders voting agreement with respect to such Series B voting common 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 current terms for the directors in Classes A, B and C of the Board expire at the annual meetings of stockholders in 2015, 2016, and 2017, respectively.

Subject to approval of Item 6, commencing with NCR s 2016 Annual Meeting of Stockholders, NCR s Board of Directors will be declassified and all directors will be elected annually for one-year terms, except that directors elected prior to NCR s 2016 Annual Meeting of Stockholders (including those directors elected under this Item 1) will continue to serve the balance of their existing three-year terms. If Item 6 is not approved, NCR s Board of Directors will remain classified and directors will continue to be elected for staggered three-year terms.

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 prior to the Annual Meeting, the Board may reduce the size of the Board or designate a substitute nominee. If the Board designates a substitute, shares represented by proxies will be voted for the substitute nominee.

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

The Board of Directors recommends that you vote FOR each of the following nominees for election as a director. Proxies received by the Board will be voted FOR all nominees unless they specify otherwise.

Class A Current Term Expiring in 2015 and New Term Expiring in 2018:

William R. Nuti, 51, is NCR s Chairman of the Board, Chief Executive Officer and President. Mr. Nuti became Chairman of the Board on October 1, 2007. Before joining NCR in August 2005, Mr. Nuti served as President and Chief Executive Officer of Symbol Technologies, Inc., an information technology company. Prior to that, he was Chief Operating Officer of Symbol Technologies. Mr. Nuti joined Symbol Technologies in 2002 following a 10 plus year career at Cisco Systems, Inc. where he advanced to the dual role of Senior Vice President of the company s Worldwide Service Provider Operations and U.S. Theater Operations. Prior to his Cisco experience, Mr. Nuti held sales and management positions at International Business Machines Corporation, Netrix Corporation and Network Equipment Technologies. Mr. Nuti is also a director of Coach, Inc. where he is a member of its Audit, Human Resources and Governance & Nominating committees and United Continental Holdings, Inc. where he is a member of its Finance Committee. Mr. Nuti previously served as a director of Sprint Nextel Corporation. Mr. Nuti is also a member of the Georgia Institute of Technology advisory board and a trustee of Long Island University. Mr. Nuti became a director of NCR on August 7, 2005. In determining if Mr. Nuti should continue serving as a director of the Company, the Committee on Directors and Governance considered his current role as Chief Executive Officer and President of the Company, his experience as a director of other public companies, his previous experience as President and Chief Executive Officer of Symbol Technologies, his previous experience as Senior Vice President at Cisco Systems, and the responsibilities associated with these positions. Mr. Nuti s demonstrated management and leadership experience and global sales and operations experience were also skills and attributes that led the Committee on Directors and

Governance to conclude that his abilities would meet the needs of the Board of Directors.

Gary J. Daichendt, 63, has been principally occupied as a private investor since June 2005 and has been a managing member of Theory R Properties LLC, a commercial real estate firm, since October 2002. He served as President and Chief Operating Officer of Nortel Networks Corporation, a global supplier of communication equipment, from March 2005 to June 2005. Prior to that and until his retirement in December 2000, Mr. Daichendt served as Executive Vice President, Worldwide Operations for Cisco Systems, Inc. Mr. Daichendt became a director of NCR on April 26, 2006 and also serves on the Boards of Directors of ShoreTel Inc., where he serves on the Governance and Compensation committees, Juniper Networks, Inc., where he is a member of its Compensation Committee, and Emulex Corporation, where he is a member of its Audit Committee. In determining if Mr. Daichendt should continue serving as a director of the Company, the Committee on Directors and Governance considered his previous experience as President and Chief Operating Officer of Nortel Networks Corporation, his previous experience as Executive Vice President, Worldwide Operations, for Cisco Systems, and the responsibilities associated with these positions. Mr. Daichendt s demonstrated management experience, financial literacy and independence were also attributes and skills that led the Committee on Directors and Governance to conclude that his abilities would meet the needs of the Board of Directors.

Robert P. DeRodes, 64, has been the Executive Vice President and Chief Information Officer of Target, Inc., a discount general merchandise retailer, since May 2014. Mr. DeRodes is the founder of DeRodes Enterprises, LLC, a Georgia-based corporation that primarily provides information technology and business operations consulting, as well as management advisory services. Prior to starting this company, Mr. DeRodes served as Executive Vice President, Global Operations & Technology of First Data Corporation, an electronic commerce and payments company, from October 2008 to July 2010. Prior to First Data Corporation, Mr. DeRodes served as Executive Vice President and Chief Information Officer of The Home Depot, Inc., a home improvement retailer, from February 2002 to October 2008 and as President and Chief Executive Officer of Delta Technology, Inc. and Chief Information Officer of Delta Air Lines, Inc., from September 1999 until February 2002. Prior to Delta, Mr. DeRodes held various executive positions in the financial services industry with Citibank (1995-1999) and with USSA (1983-1993). Mr. DeRodes became a director of NCR on April 23, 2008. In determining if Mr. DeRodes should continue serving as a director of the Company, the Committee on Directors and Governance considered the scope of his previous experience and the responsibilities associated with the aforementioned positions. Mr. DeRodes s demonstrated management experience, information technology experience, understanding of the financial services, retail and transportation industries, financial literacy and independence led the Committee on Directors and Governance to conclude that his abilities would meet the needs of the Board of Directors.

Class C Current Term Expiring in 2015 and New Term Expiring in 2017

Richard T. Mick McGuire III, 38, is the Founder and Managing Partner of Marcato Capital Management LP. Based in San Francisco, Marcato manages a select number of passive and activist investments across all industries with a primary focus on opportunities in middle-market public equities. Prior to founding Marcato, Mr. McGuire worked at Pershing Square Capital Management, L.P. Mr. McGuire also served as a director of Borders, Inc. from 2008 to 2010. Mr. McGuire became a director of NCR on November 10, 2014. In recommending Mr. McGuire as a nominee for election as a director of the Company, the Committee on Directors and Governance considered Mr. McGuire s independence and his previous experience as a public company director. Mr. McGuire s financial background and his extensive experience as an investor in other public companies were skills and attributes that further led the Committee on Directors and Governance to conclude that his abilities would meet the needs of the Board of Directors.

Directors Whose Terms of Office Continue

Class B Current Term Expiring 2016:

Edward Pete Boykin, 76, was Chair of the Board of Directors of Capital TEN Acquisition Corp., a special purpose acquisition company, from October 2007 to May 2008. He served as President and Chief Operating Officer of Computer Sciences Corporation (CSC), an information technology services company he joined in

1966, from July 2001 to June 2003. Mr. Boykin is also a director of Teradata Corporation and is also Chairman of the Board of Directors of Engility Holdings, Inc. which he joined in July 2012. Mr. Boykin became a director of NCR on June 5, 2002 and was appointed independent Lead Director effective July 25, 2013. In recommending Mr. Boykin as a nominee for election as a director of the Company, the Committee on Directors and Governance considered Mr. Boykin s independence and his previous experience at CSC, a multi-billion dollar international company with complex accounting issues, including among other things, his extensive experience evaluating financial statements in his former position as CSC s President and Chief Operating Officer, his past experience managing major acquisitions at CSC and his former role on CSC s disclosure committee. In addition to these attributes, the Committee on Directors and Governance considered Mr. Boykin s financial literacy in concluding that his abilities would meet the needs of the Board of Directors.

Linda Fayne Levinson, 73, is Chair of the Board of Hertz Global Holdings, Inc. and a Director of IngramMicro Inc., Jacobs Engineering 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 and continued to serve in that role through July 24, 2013. She was Chair of the Board of Directors of Connexus Corporation (formerly VendareNetblue), an online marketing company, from July 2006 until May 2010 when it was merged into Epic Advertising. Ms. Levinson was a Partner at GRP Partners, a private equity investment fund investing in start-up and early-stage retail, technology and e-commerce companies, from 1997 to December 2004. Prior to that, she was a Partner in Wings Partners, a private equity firm, an executive at American Express running its leisure travel and tour business, and a Partner at McKinsey & Company. Ms. Levinson was a director of DemandTec, Inc. from June 2005 until February 2012 when it was acquired by International Business Machines Corporation. In recommending Ms. Levinson as a nominee for election as a director of the Company, the Committee on Directors and Governance considered her long experience as a public company director and a committee chair, starting in 1991, as well as her general management experience at American Express, her strategic experience at McKinsey & Company and her investment experience at GRP Partners and Wings Partners. Ms. Levinson s extensive management and leadership experience, her broad industry knowledge, independence, in-depth knowledge of corporate governance issues and diversity of perspective were also skills and attributes that led the Committee on Directors and Governance to conclude that her abilities would meet the needs of the Board of Directors.

Deanna W. Oppenheimer, 56, is Chief Executive Officer of CameoWorks, LLC, a global retail and financial services advisory firm, which she formed in 2005. Prior to rejoining CameoWorks in 2011, she served in a number of roles at Barclays, PLC, from 2005 to 2011, as Chief Executive of U.K. and Business Banking and Vice Chair of Global Retail and Business Banking. From 1985 to 2005, Ms. Oppenheimer served in a number of positions at Washington Mutual, Inc., with her last role as President of Consumer Banking, where she helped to transform the lender from a regional to national player. Ms. Oppenheimer is currently a director of Tesco, PLC and Tesco Bank. Ms. Oppenheimer became a director of NCR on August 1, 2012. In recommending Ms. Oppenheimer as a nominee for election as a director of the Company, the Committee on Directors and Governance considered her current role as CEO at CameoWorks and her previous experience at Barclays, PLC, as Chief Executive of U.K. and Business Banking and Vice Chair of Global Retail and Business Banking, her previous experience as President of Consumer Banking at Washington Mutual, Inc., and the responsibilities associated with these positions. Ms. Oppenheimer s demonstrated management experience, independence and financial literacy were also attributes that led the Committee on Directors and Governance to conclude that her skills would meet the needs of the Board of Directors.

Class C Current Term Expiring in 2017:

Richard L. Clemmer, 63, is President and Chief Executive Officer of NXP B.V., a semiconductor company, a position he has held since January 1, 2009. Prior to that, he was a senior advisor to Kohlberg Kravis Roberts & Co., a private equity firm, a position he held from May 2007 to December 2008. He previously served as President and Chief Executive Officer of Agere Systems Inc., an integrated circuits components company that was acquired in 2007 by LSI Logic Corporation, from October 2005 to April 2007. Mr. Clemmer became a director of NCR on April 23, 2008. During the past 5 years, Mr. Clemmer was a director of i2 Technologies, Inc. and Trident Microsystems Inc. In determining if Mr. Clemmer should continue serving as a director of the Company, the Committee on Directors and Governance considered his experience in his position at NXP B.V. and his former positions with Kohlberg Kravis Roberts & Co. and Agere Systems Inc. Mr. Clemmer s demonstrated management experience, independence, and financial literacy were also attributes that led the Committee on Directors and Governance to conclude that his skills would meet the needs of the Board of Directors.

Kurt P. Kuehn, 60, is Chief Financial Officer at United Parcel Service, Inc. (UPS), a global leader in logistics, a position he has held since 2008. Prior to his appointment as CFO, Mr. Kuehn was Senior Vice President Worldwide Sales and Marketing, leading the transformation of the sales organization to improve the global customer experience. Mr. Kuehn was UPS s first Vice President of Investor Relations, taking the company public in 1999 in one of the largest IPOs in U.S. history. Since he joined UPS as a driver in 1977, Mr. Kuehn s UPS career has included leadership roles in sales and marketing, engineering, operations and strategic cost planning. Mr. Kuehn became a director of NCR on May 23, 2012. In recommending Mr. Kuehn as a nominee for election as a director of the Company, the Committee on Directors and Governance considered his current role as CFO at UPS, his previous experience at UPS as Senior Vice President Worldwide Sales and Marketing and Vice President of Investor Relations, and the responsibilities associated with these positions. Mr. Kuehn s demonstrated management experience, independence, and financial literacy were also attributes and skills that led the Committee on Directors and Governance to conclude that his abilities would meet the needs of the Board of Directors.

ADDITIONAL INFORMATION CONCERNING THE BOARD OF DIRECTORS

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

Corporate Governance

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

To help discharge its responsibilities, the Board of Directors has adopted Corporate Governance Guidelines on significant corporate governance issues, including, among other things: the size and composition of the Board; director independence; Board leadership; roles and responsibilities of the Board; committee membership and structure, meetings and executive sessions; and, director selection, training and retirement. The Corporate Governance Guidelines, as well as the Board s committee charters, are found under Corporate Governance on the Company page of NCR s website at http://www.ncr.com/company/corporate-governance. You also may obtain a written copy of the Corporate Governance Guidelines, or any of the Board s committee charters, by writing to NCR s Corporate Secretary at the address listed on page 2 of this proxy statement.

Under the standards of independence set forth in the Corporate Governance Guidelines, and consistent with independence standards provided in the NYSE listing standards, a Board member may not be independent unless the Board affirmatively determines that the Board member has no material relationship with the Company (whether directly or indirectly), taking into account the following factors, in addition to those other factors it may deem relevant:

- has not been an employee of the Company or any of its affiliates, or affiliated with the Company, within the past five years;
- has not been affiliated with or an employee of the Company s present or former independent auditors or its affiliates for at least five years after the end of such affiliation or auditing relationship;
- has not for the past five years been a paid advisor, service provider or consultant to the Company or any of its affiliates or to an executive officer of the Company or an employee or owner of a firm that is such a paid advisor, service provider or consultant;
- does not, directly or indirectly, have a material relationship (such as being an executive officer, director, partner, employee or significant stockholder) with a company that has made payments to or received payments from the Company that exceed, in any of the previous three fiscal years, the greater of $1 million or 2% of the other company s consolidated gross revenues;

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

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

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

Consistent with the Corporate Governance Guidelines, on an annual basis the Board, with input from the Committee on Directors and Governance, determines whether each non-employee Board member is considered independent. In doing so, the Board takes into account the factors listed above, and such other factors as it may deem relevant.

NCR s Board of Directors has determined that all of the Company s non-employee directors and nominees, namely Edward (Pete) Boykin, Richard L. Clemmer, Gary J. Daichendt, Robert P. DeRodes, Kurt P. Kuehn, Linda Fayne Levinson, Richard T. (Mick) McGuire III and Deanna W. Oppenheimer are independent in accordance with the NYSE listing standards and the Company s Corporate Governance Guidelines.

Board Leadership Structure and Risk Oversight

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

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

Consistent with the Corporate Governance Guidelines, the independent Lead Director has broad authority, as follows. The independent Lead Director: presides at the executive sessions of the non-employee directors and at all Board meetings at which the Chairman is not present; serves as liaison between the Chairman and the independent directors; frequently communicates with the Chief Executive Officer; is authorized to call meetings of the independent directors; obtains Board member and management input and, with the Chief Executive Officer, sets the agenda for the Board; approves meeting schedules to assure there is sufficient time for discussion of all agenda items; works with the Chief Executive Officer to ensure that Board members receive the right information on a timely basis; stays current on major risks and focuses the Board members on such risks; molds a cohesive Board to support success of the Chief Executive Officer; works with the Committee on

Directors and Governance to evaluate Board and committee performance; facilitates communications among directors; assists in recruiting and retention of new Board members (with the Committee on Directors and Governance and the Chief Executive Officer); in conjunction with the Chairman and Committee on Directors and Governance, ensures that committee structure and committee assignments are appropriate and effective; works with the Committee on Directors and Governance to ensure outstanding governance processes; leads discussions regarding Chief Executive Officer performance, personal development and compensation; and, if requested by major stockholders of the Company, is available for consultation and direct communication with such stockholders. Additionally, the leadership and oversight of the Board s other independent directors continues to be strong, and further structural balance is provided by the Company s well-established corporate governance policies and practices, including its Corporate Governance Guidelines. Independent directors account for eight out of nine of the Board s members, and make up all of the members of the Board s Compensation and Human Resource Committee, Audit Committee and Committee on Directors and Governance. Additionally, among other things, the Board s non-employee directors meet regularly in executive session with only the non-employee directors present.

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

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

Compensation Risk Assessment

The Company has historically maintained a prudent and appropriately risk-balanced approach to its incentive compensation programs to ensure that these programs promote the long-term interests of our stockholders and do not contribute to unnecessary risk-taking, and will continue to do so. The Compensation and Human Resource Committee of the Board of Directors (the CHRC Committee) evaluates whether the Company s executive and broad-based compensation programs contribute to unnecessary risk-taking to achieve above-target results and has concluded that the risks arising from these programs are not likely to be significant. The CHRC Committee directly engages its independent compensation consultant, Frederic W. Cook & Co., Inc. (FWC), to assist the CHRC Committee in its evaluation. In accordance with the CHRC Committee s direction, FWC performs a compensation risk assessment of the Company s executive and broad-based compensation programs and makes an independent report to the CHRC Committee. The last risk assessment from FWC was completed in 2011. At that time, FWC concluded that the Company s executive and broad-based compensation programs do not present any area of significant risk, noting that the plans are well-aligned with the CHRC Committee s compensation design principles. In 2014 and early 2015, the Company conducted its own compensation risk assessment of the incentive compensation programs and concluded that the Company s executive and broad-based compensation programs do not present any area of significant risk. The only significant changes to our compensation program since FWC s 2011 risk assessment were the adoption of the NCR Corporation 2011 Economic Profit Plan and the NCR Executive Severance Plan, which the Company and FWC determined did not present an area of significant risk, and the continued transition of the vesting period of our performance-based restricted stock units to 44 months from 36 months.

Committees of the Board

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

The Board of Directors met eight times last year. During 2014, each incumbent member of the Board attended 75% or more of the aggregate of (i) the total number of meetings of the Board (held during the period for which such person has been a director) and (ii) the total number of meetings held by all committees of the Board on which such person served (during the periods that such person served). In addition, while the Company has no formal policy regarding director attendance at its annual meeting of stockholders, NCR s directors are encouraged to attend the Company s annual meeting. All of the directors then in office, except Mr. Clemmer and Ms. Oppenheimer, attended the Company s 2014 Annual Meeting of Stockholders.

The members of each committee as of the end of fiscal 2014 and the number of meetings held in fiscal 2014 are shown below:

Name	Audit Committee	Compensation and Human Resource Committee	Committee on Directors and Governance	Executive Committee
Edward (Pete) Boykin	X(1)	X(1)	X	X
Richard L. Clemmer	X			
Gary J. Daichendt		X	X*	X
Robert P. DeRodes	X(2)	X(2)		
Kurt P. Kuehn	X*			
Linda Fayne Levinson		X*	X	X
Richard T. (Mick) McGuire III		X(3)		X(3)
William R. Nuti				X*
Deanna W. Oppenheimer	X			
Number of meetings in 2014	13	7	5	0

*Chair

(1) Mr. Boykin was elected to serve on the Compensation and Human Resource Committee and ceased his membership on the Audit Committee effective April 23, 2014.

(2) Mr. DeRodes was elected to serve on the Audit Committee and ceased his membership on the Compensation and Human Resource Committee effective April 23, 2014.

(3) Mr. McGuire was elected to serve on the Executive and Compensation and Human Resource Committees effective November 10, 2014.

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, engagement and performance of the Company s independent registered public accounting firm; (iv) the performance of the Company s internal auditors; (v) the integrity and adequacy of internal controls; and (vi) the quality and adequacy of disclosures to stockholders. The Audit Committee also:

- selects, evaluates, sets compensation for and, where appropriate, replaces the Company s independent registered public accounting firm;
- pre-approves all audit and non-audit services to be performed by the Company s independent registered public accounting firm;
- reviews and discusses with the Company s independent registered public accounting firm its services and quality control procedures and the Company s critical accounting policies and practices;
- regularly reviews the scope and results of audits performed by the Company s independent registered public accounting firm and internal auditors;
- prepares the report required by the SEC to be included in the Company s annual proxy statement;
- meets with management to review the adequacy of the Company s internal control framework and its financial, accounting, reporting and disclosure control processes;
- reviews the Company s periodic SEC filings and quarterly earnings releases;
- reviews and discusses with the Company s Chief Executive Officer and Chief Financial Officer the procedures they follow to complete their certifications in connection with NCR s periodic filings with the SEC;
- discusses management s plans with respect to the Company s major financial risk exposures;
- reviews the Company s compliance with legal and regulatory requirements; and
- reviews the effectiveness of the Internal Audit function, including compliance with the *Institute of Internal Auditors International Professional Practices Framework for Internal Auditing consisting of the Definition of Internal Auditing, Code of Ethics and the Standards.*

Each member of the Audit Committee is independent and financially literate as determined by the Board under applicable SEC rules and NYSE listing standards. In addition, the Board has determined that Messrs. Clemmer and Kuehn and Ms. Oppenheimer are each an audit committee financial expert, as defined under SEC regulations. The Board has also determined that each member of the Audit Committee is independent based on independence standards set forth in the Board s Corporate Governance Guidelines, which meet, and in some cases exceed, the listing standards of the NYSE and the applicable rules of the SEC. No member of the Audit 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 rules and NYSE listing standards. 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 evaluates and determines that these other commitments would not impair the member s effective service to the Company.

Compensation and Human Resource Committee: The CHRC Committee provides general oversight of the Company s management compensation philosophy and practices, benefit programs and strategic workforce initiatives and oversees the Company s leadership development plans. In doing so, the CHRC 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 CHRC Committee also:

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

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

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

oversees the Company s compliance with compensation-related requirements of the SEC and NYSE rules;

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

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

periodically assesses the risk associated with the Company s compensation programs; and

oversees the Company s plans for management succession and development.

The CHRC 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.

The CHRC Committee is authorized to and has directly engaged its compensation consultant, FWC, to review the Company s long-term incentive program, the Stock Incentive Plan (which we refer to as the SIP), the Management Incentive Plan (which we refer to as the MIP), the Economic Profit Plan (which we refer to as the EPP) and other key programs related to the compensation of executive officers. As directed by the CHRC Committee, FWC: provides a competitive assessment of the Company s executive compensation programs relative to our compensation philosophy; reviews our compensation peer group companies; provides expert advice regarding compensation matters for our executive officers, including the Chief Executive Officer; provides information about competitive market rates; assists in the design of the variable incentive plans and the establishment of performance goals; assists in the design of other compensation programs and perquisites; assists with Section 162(m) and Section 409A compliance, disclosure matters, and other technical matters; conducts a risk assessment of the Company s compensation programs; and is readily available for consultation with the CHRC Committee and its members regarding such matters. FWC did not perform any additional work for the Company or its management in 2014. In keeping with NYSE listing standards, the CHRC Committee retained FWC after taking into consideration all factors relevant to FWC s independence from management. The CHRC Committee has reviewed the independence of FWC in light of SEC rules and NYSE listing standards regarding compensation consultants and has concluded that FWC s work for the CHRC Committee is independent and does not raise any conflict of interest.

The Board of Directors has determined that each member of the CHRC Committee is independent based on independence standards set forth in the Board s Corporate Governance Guidelines, and must satisfy the additional requirements, if any, specific to compensation committee membership set forth in the listing standards of the NYSE.

Committee on Directors and Governance: The Committee on Directors and Governance 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 on Directors and Governance 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 and oversees such evaluation;

reviews and makes recommendations to the Board concerning director compensation;

reviews the composition of the Board 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;

reviews the Company s charter and Bylaws and makes any recommendations for changes, as appropriate; and

reviews any stockholder proposals the Company receives for submission to its Annual Meeting of Stockholders.

The Committee on Directors and Governance is authorized to engage consultants to review the Company s director compensation program.

The Board of Directors has determined that each member of the Committee on Directors and Governance is independent based on independence standards set forth in the Board s Corporate Governance Guidelines, which meet, and in some cases exceed, the listing standards of the NYSE and the applicable rules of the SEC.

Executive Committee: The Executive Committee has the authority to exercise all powers of the full Board of Directors, except those prohibited by applicable law, such as amending the Company s Bylaws or approving a merger that requires stockholder approval. The Executive Committee meets between regular Board meetings if urgent action is required.

Selection of Nominees for Directors

The Committee on Directors and Governance and our other directors are responsible for recommending nominees for membership to the Board of Directors. The director selection process is described in detail in the Board s Corporate Governance Guidelines. In determining candidates for nomination, the Committee on Directors and Governance will seek the input of the Chairman of the Board and the Chief Executive Officer, and, in the event the positions of Chairman of the Board and Chief Executive Officer are held by the same person, the independent Lead Director, and will consider individuals recommended for Board membership by the Company s stockholders in accordance with the Company s Bylaws and applicable law.

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

Stockholders wishing to recommend individuals for consideration as directors should contact the Committee on Directors and Governance by writing to the Company s Corporate Secretary at NCR Corporation, 250 Greenwich Street, 35th Floor, New York, NY 10007. Recommendations by stockholders that are made in this manner will be evaluated in the same manner as other candidates. Stockholders who want to nominate directors for election at NCR s next annual meeting of stockholders must follow the procedures described in the Company s Bylaws, which are available under Corporate Governance on the Company page of NCR s website at http://www.ncr.com/company/corporate-governance. See Procedures for Stockholder Proposals and Nominations on page 102 of this proxy statement for further details regarding how to nominate directors.

The directors nominated by the Board of Directors for election at the 2015 Annual Meeting were recommended by the Committee on Directors and Governance. All of the candidates for election are currently serving as directors of the Company and, except for William Nuti, have been determined by the Board to be independent.

Communications with Directors

Stockholders or interested parties wishing to communicate directly with NCR s Board of Directors, the independent Lead Director or any other individual director, the Chairman of the Board, or NCR s independent directors as a group are welcome to do so by writing to the Company s Corporate Secretary at NCR Corporation, 250 Greenwich Street, 35th Floor, New York, NY 10007. The Corporate Secretary will forward appropriate communications. Any matters reported by stockholders relating to NCR s accounting, internal accounting controls or auditing matters will be referred to members of the Audit Committee as appropriate. Anonymous and/or confidential communications with the Board of Directors may also be made by writing to this address. For more information on how to contact NCR s Board, please see the Company s Corporate Governance website at http://www.ncr.com/company/corporate-governance.

Code of Conduct

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

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, the Company is required to report in this proxy statement any failure to file or late filing occurring during the fiscal year ended December 31, 2014. Based solely on a review of filings furnished to the Company from reporting persons, the Company believes that all of these filing requirements were satisfied by its directors, officers, and 10% beneficial owners, except for one late filing for each of Ms. Levinson and Mr. Clemmer during the fiscal year ended December 31, 2014.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

In 2014 NCR demonstrated its long-held practice of linking the total compensation of our Named Executive Officers (the NEOs) to the strategic and financial success of the Company. Our compensation philosophy requires that a significant portion of total compensation for our NEOs be aligned with our performance. We accomplish this by placing a large portion of our executives total compensation at risk and by requiring our executives to stretch to meet very challenging internal financial metrics annually that, if achieved, translate into shared value creation with our stockholders.

Overall, 2014 was a disappointing financial year for NCR. While there were bright spots in 2014, Retail industry end-market conditions and foreign currency headwinds were the primary causes of our failure to achieve Plan and make our initial 2014 guidance. With that said, 2014 was also a year of several accomplishments. Financial Services met or exceeded our internal expectations, made meaningful progress in strategic transformation and continued to gain market share in physical and digital channels. Our software and cloud businesses experienced significant growth which allowed us to drive meaningful margin expansion, and our Services business further pulled away from our competition with improved delivery. We also successfully integrated Digital Insight, while simultaneously meeting our business plan and upgrading our Digital Insight cloud infrastructure to provide reliable service on a scalable, secure platform. Additionally, NCR successfully executed on legacy issues such as pension and Fox River. As a result, NCR remains on track with its longer-term reinvention goals. We are positioned at the forefront of consumer transaction technologies and are securely connecting consumers and businesses in more channels and more ways than ever before. Our global leadership is evidenced by the nearly 550 million transactions we enable around the world each day, of which over 20 million are now digital transactions, and mainly mobile in nature.

2014 Financial Highlights

Our revenue grew 8% to $6.6 billion;

Recurring revenues, which includes cloud, software maintenance and hardware maintenance, were up 19% and now represent 41% of total revenue;

Our Operational Gross Margin expanded 100 basis points to a record high of 29.5%;

Our software-related revenue grew 38% to $1.7 billion, including cloud revenue growth of 239%;

Our Non Pension Operating Income (NPOI) grew by 14% to $820 million, which failed to meet our threshold performance objective of $900 million for our annual incentive plan;

Our Adjusted Free Cash Flow increased 51% to $313 million, which failed to meet our threshold performance objective of $380 million for our annual incentive plan;

While our one-year total shareholder return of -14.4% was disappointing, our annualized three-year total shareholder return of 21.0% exceeds the S&P500 total shareholder return over the same period;

We entered 2015 with a backlog of $1.1 billion;

On January 10, 2014 we completed the acquisition of Digital Insight Corporation for approximately $1.65 billion to substantially enhance our on-line and mobile banking solutions.

The following charts demonstrate how our 2014 performance compares with our 2013 performance:

The chart below compares our one year and three-year total shareholder return with the performance of our 2014 peer group (the members of our 2014 peer group are set forth on page 28 of this proxy statement) and other relevant major indices:

Summary of 2014 Actions by the Compensation and Human Resource Committee (the Committee)

Our Economic Profit Plan (EPP) would have resulted in an EPP bonus credit award of $9.9 million to plan participants. However, since the Company did not achieve key financial results and operational goals for the 2014 performance year, and in keeping with the Company s pay-for-performance culture, the CEO requested that the Committee not award any EPP bonus credit award to himself or any member of the management team for the 2014 performance year. The Committee acknowledged the CEO s leadership on the proposed action and approved this recommendation.

We evaluated the financial metrics used to determine awards under our Amended and Restated NCR Management Incentive Plan (MIP) for the 2014 performance year and changed the financial metrics to include both Non-Pension Operating Income (NPOI) and Adjusted Free Cash Flow as our Core Financial Objectives for 2014. This better aligns management s compensation with the key internal strategic measures, and differentiates the financial metrics of our MIP from the performance metric under our long-term incentive program.

The Committee modified the vesting schedule for newly awarded time-based restricted stock units granted after January 1, 2015 to a ratable vesting schedule, with one-third of units vesting on each anniversary of the grant date. Awards granted prior to 2015 will continue to vest 100% on the third anniversary of the grant date. The Committee made this change to better align with market practices and to facilitate the Company s ability to attract and retain top talent.

For 2015, the Committee increased the maximum award payable under the Performance-Based Restricted Stock Unit program to 150% of target (up from 125%) to better align the program with market practices and to keep our executive team fully focused and rewarded for significant overachievement of our financial goals established for 2015.

For 2015, contingent upon shareholder approval of Item 4 found on page 73 of this proxy statement, the Committee redefined Economic Profit using a more traditional economic value added (EVA) approach calculated as Net Operating Profit after Tax, less the product of Total Invested Capital and our Weighted Average Cost of Capital. The Committee, in consultation with its compensation consultant, made this change to better capture the EVA created by the decisions of our NEOs.

Our Named Executive Officers

The Committee has the sole authority to make all compensation-related decisions for the Company s NEOs. This *Compensation Discussion and Analysis* (CD&A) addresses the compensation decisions for 2014 for the NEOs identified below. For additional information regarding the compensation of the NEOs, refer to the Executive Compensation tables, which begin on page 48 of this proxy statement. For 2014, the following executive officers are our NEOs:

Name	Executive Leadership Role
William R. Nuti	Chairman of the Board, Chief Executive Officer and President
Robert P. Fishman	Senior Vice President and Chief Financial Officer
Andrew S. Heyman	Senior Vice President and President, Financial Services Division
Frederick J. Marquardt	Executive Vice President, Services, Hardware Solutions & Enterprise Quality
Michael B. Bayer	Senior Vice President and President, Retail Solutions Division
John G. Bruno	Executive Vice President, Industry & Field Operations and Corporate Development

Mr. Bruno resigned from the Company effective August 31, 2014 but is included as an NEO because of his earnings during his eight months with the Company in 2014.

Executive Compensation Philosophy and Key Components

NCR s compensation programs reward executives for achieving and exceeding the Company s strategic business and financial goals. This is accomplished by linking our executives compensation to Company-wide metrics and to the operational results of those areas under the direct control of each member of our executive team. The Committee regularly evaluates our compensation programs to ensure they are consistent with the short-term and long-term goals of both the Company and our stockholders given the dynamic nature of our business and the market in which we compete for talent. In determining the compensation structure, the Committee considers:

Response to 2014 Say on Pay Vote. At the 2014 Annual Meeting of Stockholders (2014 Annual Meeting), the Company s stockholders approved the compensation program for the NEOs with 96.9% of the votes cast. This vote reflects strong stockholder confidence in the Committee s pay-for-performance philosophy and the absence of pay practices that stockholders consider in conflict with their best interests. Most decisions for our NEOs 2014 compensation program were determined by the Committee prior to receiving the results of our say on pay vote at the 2014 Annual Meeting. However, the Committee generally continued to apply the same principles previously applied in determining the amounts and types of executive compensation for 2014 as outlined below under 2014 Compensation Program Highlights. Following the 2014 Annual Meeting, the Committee took into account the affirmative stockholder vote on our say on pay proposal, along with input from our stockholders, when determining subsequent compensation actions in 2014 and in refining our compensation program and goal setting as part of the 2015 planning process, which the Committee first began to consider at its regularly scheduled meeting in September 2014.

Key Components of 2014 Executive Compensation. When establishing compensation levels for our NEOs, the Committee considers: (i) the executive s role; (ii) an annual external market study conducted by Frederic W. Cook & Co., Inc. (FWC); and (iii) internal comparable compensation levels.

For each of our 2014 compensation programs the Committee approves the design, performance objectives, performance levels, and final awards for our NEOs. The components of our 2014 compensation programs were:

Compensation Component	Primary Purpose	How Determined/Award Levels
Base Salary	Provides competitive fixed level of cash income Promotes appropriate risk-taking	Committee approves based on role, position against the external market, and internal comparable salary levels
Long-Term Incentive Plan	Awards in the form of Restricted Stock Units (RSUs) align executives pay and stockholders interests Motivates executives to build multi-year, stockholder value	Restricted Stock Awards grant mix: ¡ 75% as Performance-Based RSUs ¡ 25% as Time-Based RSUs Performance threshold of 20% return on capital must be achieved for any payout
		Performance-based award payout ranges from 0% to 125%
Annual Incentive Plan	Aligns executives interests with Company-wide financial metrics Executive-specific objectives motivate our team to achieve goals within their areas of influence	NPOI performance threshold must be achieved for any payout Maximum award payout as percentage of NPOI is 1.5% for the CEO and 0.75% for other NEOs Award Payout Ranges: ¡ Financial Metrics: 0% to 200% ¡ Individual Goals: 0% to 150% ¡ Customer Success: 0% or 10%
Economic Profit Plan	Links incentive compensation to sustainable long-term performance which drives sustainable stockholder value creation Retention of key executives	A predetermined percentage of economic profit may be deposited into a bookkeeping account for each executive One-third of the account balance is eligible for annual vesting/payout
Health/Welfare Benefits	Provides financial security to executives in case of illness, disability, or death	Selection from options available to all employees depending on individual needs
Retirement Benefits	Provides financial security to executives during their retirement	Selection of 401(k) contribution levels and investment elections from funds available to all employees
Other Perquisites	Attracts and retains executive talent Allows executives to focus on their Company roles	Executive Medical Program Financial Planning allowance Standard relocation benefits Limited CEO personal aircraft usage
Claw Back Policy	Discourages excessive risk-taking	Committee determines if an NEO must repay any performance-based award
Share Ownership Guidelines	Ensures that our executives maintain an equity stake in the Company at a level sufficient to align	Ownership levels approved by the Committee

their interests with the interests of our stockholders	Annual internal review of equity value as a percentage of year-end base salary

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2014 Compensation Program Highlights. The Company s 2014 compensation program was consistent with its philosophy and objectives of paying for performance, aligning the interests of executives with the interests of stockholders, attracting and retaining executive talent, and adopting competitive, best-practice compensation programs that are appropriate for our Company. Specific examples of actions taken by the Company in 2014 to carry out this philosophy include:

- The Company s annual performance-based long-term incentive (LTI) awards granted on February 24, 2014 under our NCR Corporation 2013 Stock Incentive Plan (SIP) will vest 100% on October 24, 2017, depending on Company performance. The Company and the Committee believe that staggering the vesting/payout events of our incentive awards throughout the year enhances the retention value of our incentive programs by placing a more consistent value at risk throughout the year.

Incentive Award Element	**Payout Timing**
Time-Based Restricted Stock Unit Vesting	February
Annual Bonus Plan/MIP Payout	March
Economic Profit Plan Payout	August
Performance-Based Restricted Stock Unit Vesting	October

- We replaced Non-Pension Operating Income less Controllable Capital (NPOICC) as a performance measure in our MIP with NPOI and Adjusted Free Cash Flow as the core financial objectives for 2014. NPOI and Adjusted Free Cash Flow were selected because of their link to key internal financial metrics.

- We established aggressive performance goals for 2014 awards granted under our MIP and the performance-based restricted stock unit awards granted under our SIP.

Best Practices. In addition to assuring that a majority of our NEOs compensation is at risk, the Company maintains policies to further strengthen the alignment of interests between our executive compensation practices and our stockholders. Some of these practices include:

- Instituting challenging, Committee-approved performance goals, and, for our performance-based LTI awards under the SIP and EPP, a threshold financial metric (in addition to the performance goals);

- Engaging an independent consulting firm to conduct an annual compensation study that assists the Committee in its evaluation of appropriate compensation and pay mix levels for our NEOs;

- Implementing aggressive stock ownership guidelines for our executives and requiring that all NEO stock transactions be conducted solely through a pre-approved 10b5-1 trading plan that requires, among other things, a 60-day waiting period between the filing of the 10b5-1 trading plan and any transaction, and that a minimum trade price be established for any planned transaction at least equal to the market price of NCR stock at the time the 10b5-1 trading plan is adopted. The Company also requires that our NEOs continue to meet their stock ownership guidelines following any transaction;

- Continuing the ability of the Committee to exercise its negative discretion when determining payouts under all of our variable compensation programs in a manner intended to be consistent with the requirements for deductible performance-based compensation under Section 162(m) of the Internal Revenue Code (the Code);

- Continuing the EPP to reward our executives for creating sustainable, long-term value for our business; and

- Maintaining a strong claw back policy.

Prohibited Activities. In addition, the Company maintains policies and practices that prohibit certain activities that, if allowed, would reduce the level of alignment between our executive compensation practices and our stockholders interests. These policies and practices prohibit:

- Repricing of stock options without prior approval from our stockholders;

- Pledging and hedging of any of the Company s equity securities; and

- Excise tax gross-ups for new participants eligible under the Amended and Restated NCR Change in Control Severance Plan (the Change in Control Severance Plan) and tax gross-ups on any perquisites other than standard relocation benefits.

Pay for Performance Highlights. The portion of at risk compensation for our senior executives increases directly with the executive s role and responsibility within the Company, ensuring our senior officers are held most accountable to our stockholders. As shown below, a very significant portion (90%) of our CEO s target total compensation pay mix is directly linked to the performance of the Company through quantitative internal performance metrics and qualitative goals that support the strategy of the organization and are approved each year by the Committee. This is generally consistent with the pay mix of CEOs in our peer group. The percentage of pay at risk for our other NEOs with the Company during all of 2014, which averages 76%, is also generally consistent with the pay mix of other NEOs in our 2014 peer group.

2014 Target Total Direct Compensation Pay Mix *(Other NEOs only includes NEOs employed with the Company for all of 2014):*

NCR CEO Target Pay Mix	**Peer Group CEO Target Pay Mix**

NCR Other NEOs Target Pay Mix	**Peer Group Other NEO Target Pay Mix**

Performance-Based vs. Fixed Pay Mix at Target: For our CEO and other NEOs, the ratio between performance-based pay (including performance-based equity and cash incentive compensation) and fixed pay (base salary and time-based equity) is consistent with the pay mix of other CEOs and NEOs in our peer group. We strongly believe that it is this alignment between our executives and stockholders interests that helps to drive our relative total shareholder return results.

NCR CEO At-Risk vs Fixed Pay	Peer Group CEO At-Risk vs Fixed Pay

NCR NEO At-Risk vs Fixed Pay	Peer Group NEO at-Risk vs Fixed Pay

Granted vs. Realizable Compensation

Since such a significant portion of the compensation of our NEOs is performance-based and therefore at risk, we review the granted versus the realizable compensation levels of our CEO and our other NEOs to track the alignment and effectiveness of our pay-for-performance executive compensation design. To complete this analysis, we compare the value of the targeted compensation levels at the time of grant to the value of the realizable compensation levels each calendar year as a result of the performance of the organization in achieving its short-term and long-term goals and the year-end price of the Company s stock. By way of example, the following table, which is different from our Summary Compensation Table on page 48 of this proxy statement, shows the granted versus realizable compensation for the CEO for the previous three fiscal years:

	Compensation Granted[1] ($millions)					Compensation Realizable[2] ($millions)					CEO Compensation
Year	**Base**	**Target Bonus**	**RSUs**	**EPP**	**Total**	**Base**	**Actual Bonus**	**RSUs**	**EPP**	**Total**	**Realizable vs. Granted**
2014	$ 1.0	$ 1.5	$ 5.0	$ 7.1	$ 14.6	$ 1.0	$ 0.0	$ 2.5	$ 0.0	$ 3.5	24%
2013	$ 1.0	$ 1.5	$ 5.0	$ 6.8	$ 14.3	$ 1.0	$ 0.6	$ 5.5	$ 6.8	$ 13.9	97%
2012	$ 1.0	$ 1.5	$ 4.5	$ 5.9	$ 12.9	$ 1.0	$ 1.1	$ 7.3	$ 6.1	$ 15.5	120%

(1) Compensation Granted includes: base salary, target annual incentive, grant date fair market value of all equity awards, plus the projected EPP Bonus Credit award based on the financial plan established each year.

(2) Compensation Realizable for each year includes: base salary, actual bonus received, the fair market value of outstanding awards granted each year as of December 31, 2014, and the actual EPP Bonus Credit award based on the actual economic profit for each year. The 2012 annual performance-based LTI award granted on February 28, 2012 is reflected at 127.8% of target (payout earned). The 2013 annual

performance-based LTI award granted on February 25, 2013 is reflected at 100.8% of target (payout earned). The 2014 annual performance-based LTI award granted on February 24, 2014 is reflected at 43.6% of target, and is subject to the Company achieving a two-year average Return on Capital threshold of 20% during the performance period.

A comparison of our CEO s realizable compensation to the performance of the Company is summarized below:

	CEO Compensation Realized/Earned				Company Performance	
Year	Compensation Realizable vs. Granted	Bonus Payout Earned	Performance LTI Award Earned[1]	NPOICC Results ($millions)	NCR 1-Year Total Shareholder Return (TSR)[2]	NCR 1-Year TSR Percentile Rank for Peer Group[2]
2014	24%	0%	43.6%	$695	-14%	0%
2013	97%	42%	100.8%	$592	34%	25%
2012	120%	73%	127.8%	$486	55%	95%

(1) The 2012 annual performance-based LTI award granted on February 28, 2012 is reflected at 127.8% of target (payout earned). The 2013 annual performance-based LTI award granted on February 25, 2013 is reflected at 100.8% of target (payout earned). The 2014 annual performance-based LTI award granted on February 24, 2014 is reflected at 43.6% of target, and is subject to the Company achieving a two-year average Return on Capital threshold of 20% during the performance period.

(2) The TSR Percentile Rank measurement is from calendar year-end to calendar year-end.

The strong correlation between the compensation realizable by our CEO over the past three years, and our performance as measured by total shareholder return, demonstrates that our pay for performance compensation philosophy achieves the stated objective of linking our CEO s compensation to our performance.

Role of Compensation Consultant. The Committee considers advice and recommendations received from its independent compensation consultant, FWC, in making executive compensation decisions. FWC is independent of the Company s management, and reports directly to the Committee. Representatives of FWC attended all of the Committee meetings in 2014. Our CEO is not present during discussions between the Committee and FWC regarding the CEO s compensation and has not been provided a copy of any FWC reports on the CEO s compensation.

Independence of the Compensation Consultant. In 2014, the Committee considered the independence of FWC in light of SEC rules and NYSE listing standards. The Committee requested and received a letter from FWC addressing the consulting firm s independence, including the following factors: (i) other services provided to the Company by FWC; (ii) fees paid by the Company as a percentage of FWC s total revenue; (iii) policies or procedures maintained by FWC that are designed to prevent a conflict of interest; (iv) any business or personal relationships between the individual consultants from FWC involved in the engagement and a member of the Committee; (v) any Company stock owned by the individual consultants of FWC involved in the engagement; and (vi) any business or personal relationships between our executive officers and FWC or the individual consultants involved in the engagement. The Committee concluded that FWC s work for the Committee is independent and does not raise a conflict of interest.

Role of Company Executives. The Committee also considers recommendations from our CEO and our Senior Vice President, Corporate Services & Chief Human Resources Officer when designing our executive compensation programs, establishing goals for annual and LTI awards, and making executive compensation decisions for executives other than our CEO. Our CEO attends each Committee meeting and participates in the general discussion at those meetings. However, neither the CEO nor any member of management provides any recommendations, nor do they participate in any discussions with the Committee, with respect to the CEO s compensation.

External Analysis Peer Group Analysis and Market Surveys. We use several methods to examine the various elements of our executive compensation program to determine the competitive market and to understand current compensation practices. In general, the Committee considers the median of the peer group data described below when establishing base salary, annual incentive, and long-term incentive opportunities. The Committee retains the flexibility to make adjustments in order to respond to market conditions, promotions, individual performance and internal equity. The Committee also reviews broad-based survey data prepared by FWC and also considers key business decisions that can impact compensation.

Compensation Peer Group. FWC annually develops and presents a recommended peer group that is approved by the Committee. FWC then uses this peer group to produce an independent analysis that typically 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 NEOs to the 25th, 50th and 75th percentiles of the peer group. The analysis also includes comprehensive modeling of long-term incentive costs and resulting levels of stockholder value transfer and dilution, which the Committee considers when developing the aggregate annual budget for equity compensation awards.

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

We review our peer group at least once per year to ensure it continues to reflect the parameters originally outlined. The compensation peer group analyzed in setting 2014 executive compensation was modified from the 2013 peer group in the following manner:

(i) DST Systems, Lexmark International, and Logitech International were removed from the peer group because they are significantly smaller than NCR in each of the financial metrics considered, which are revenue, operating income, market capitalization, and enterprise value;

(ii) SAIC was removed because of its high concentration in government services and its split in September 2013 into two new publicly traded companies;

(iii) Adobe Systems, Inc., CA Technologies, Inc., Intuit Inc. and Salesforce.com, Inc. were added as they are software/services companies and therefore better align to the Company s business.

Our 2014 peer group therefore consisted of the following companies:

NCR s Compensation Peer Group for 2014			
Adobe Systems, Inc.	Agilent Technologies, Inc.	CA Technologies, Inc.	Diebold, Inc.
Fidelity National Information Services	Fiserv, Inc.	Harris Corp.	Intuit Inc.
Juniper Networks, Inc.	NetApp, Inc.	Pitney Bowes, Inc.	Salesforce.com, Inc.
SanDisk Corp.	Seagate Technology	Symantec Corp.	Western Digital Corp.

For 2015, following the same methodology used for 2014, the Committee approved the same peer group listed above.

Market Surveys. FWC prepared a comprehensive analysis and assessment of the competitive position of the compensation pay mix and pay levels for our executives relative to the marketplace, using a combination of proxy data from our peer group and general market data provided to FWC by the Company. Market survey data includes surveys concentrated on companies in both general and high-tech industries, which encompass the Company s competitors and non-competitors. The broad-based surveys are global in nature, which enables us to obtain salary structure market data in numerous countries under a consistent methodology to understand market trends and practices. The surveys utilized and the data scope used from each were:

Survey	Data Scope
Towers Watson General Industry Executive Compensation Survey U.S.	Corporate-wide roles: Global Corporate Revenue $6-$10 Billion Other roles: appropriate Group/Division Revenue
Towers Watson High Tech Executive Compensation Survey U.S.	Appropriate Unit Size based on Revenue
Aon Hewitt TCM Online Executive: United States	Corporate-wide roles: Corporate-wide Revenue $5-$10 Billion Other roles: appropriate Group/Division Revenue
Radford Technology Survey: US Survey Totals	All Companies

The Committee considers market median levels when setting compensation levels, but retains the flexibility to set compensation above or below the median based on individual considerations. In its October 2013 study, FWC considered the following market survey positions when evaluating the compensation levels for the following NEOs for 2014:

	2013 Compensation Benchmark and Weighting	
Name	**Peer Group Proxy Data**	**General Survey Data**
William R. Nuti	Chief Executive Officer (100%)	Not Applicable
Robert P. Fishman	Chief Financial Officer (75%)	Chief Financial Officer (25%)
John G. Bruno	2nd Highest Paid (50%)	Chief Operating Officer (50%)

In connection with their mid-year promotions, FWC considered the following market survey positions when evaluating the compensation levels for the following NEOs for 2014:

	2014 Compensation Benchmark and Weighting	
Name	**Peer Group Proxy Data**	**General Survey Data**
Andrew S. Heyman	Unit Head (75%)	Sector Head (25%)
Frederick J. Marquardt	Unit Head (75%)	Sector Head (25%)
Michael B. Bayer	Unit Head (75%)	Sector Head (25%)

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

Tally Sheets. At each regular Committee meeting considering compensation changes, the Committee reviews comprehensive tally sheets that show the total compensation opportunity provided to each executive over a three-year period. The tally sheets allow the Committee to review the degree to which historic, current, and projected compensation, including unvested equity awards, support the Company s pay-for-performance philosophy and retention objectives. The Committee uses the data in the tally sheets to assess actual and projected wealth accumulation levels. The tally sheets are also used to compare year-over-year compensation as part of the process of establishing competitive compensation levels for the following year.

Internal Equity. In addition to tally sheets, management prepares an overview of each executive s base salary, annual incentive targets, and long-term incentive targets in comparison to internal peers. To maintain a fair balance throughout the executive level of the organization, 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, as measured both objectively and subjectively. For 2014, the total target direct compensation (base salary, target annual bonus award, and target long-term incentive award excluding any EPP Bonus Credit awards or Bonus Bank payouts) of our CEO was 2.8 times the total target direct compensation of the next highest-paid NEO. The Committee considers this an appropriate ratio, taking into account our CEO s overall leadership responsibility, the competitive market rate of compensation for CEO talent, the strategic nature of the CEO position as the senior executive leading the organization, the extent and scope of his responsibilities, his performance, and his additional role as Chairman of the Board of Directors.

Details on 2014 Executive Compensation

Annual Base Salary. We attempt to set base salaries at a level competitive with our peer group. By doing so, we are able to attract and retain top quality executive talent and ensure that our overall fixed costs are kept at a reasonable level. The Committee reviewed and approved the following base salary actions during 2014:

Summary of 2014 Base Salary Actions

Name	Effective Date of Most Recent Base Salary Action	Base Salary on December 31, 2014(1)(2)	Rationale for Base Salary Actions
William R. Nuti	August 8, 2005	$1,000,000	No change Competitive
Robert P. Fishman	September 15, 2014	$575,000	Competitive position, individual performance, and additional responsibilities
Andrew S. Heyman	September 15, 2014	$575,000	Competitive position, individual performance, and promotion
Frederick J. Marquardt	September 15, 2014	$575,000	Competitive position, individual performance, and promotion
Michael B. Bayer	November 1, 2014	$487,600	Competitive position and promotion
John G. Bruno	April 1, 2014	$750,000	Competitive position and additional responsibilities

(1) Mr. Bruno s base salary on August 31, 2014 (the date of his resignation).

(2) Mr. Bayer s salary is paid in Euros, which was converted to U.S. dollars for reporting purposes using the 2014 year-end exchange rate of 1.219 USD/EUR.

Annual Incentive Plan

Management Incentive Plan (MIP) and Customer Success Bonus Description. The total annual bonus opportunity for our NEOs is comprised of two components: the MIP (which is based on a core financial objective that is multiplied by an individual performance modifier) and the Customer Success bonus. Awards are determined in the following manner:

Total Annual Bonus Opportunity

Management Incentive Plan (MIP)						**Customer Success Bonus**		
Target Bonus %	**x**	Core Financial Objectives *(Range: 0% - 200%)*	**x**	Individual Performance Modifier *(Range: 0% - 150%)*	+	Payout Linked to Company s Overall Customer Success Survey Results *(Range: 0% or 10%)*	=	**Actual Bonus %**

At the beginning of the performance year, the Committee establishes a total target bonus for each NEO as a percentage of their base salary. This total target bonus is comprised of two components: (i) a MIP target bonus that is comprised of a target bonus percentage that is then multiplied by a Company-wide financial performance goal factor (the Core Financial Objectives); and (ii) a modifier based on the applicable NEO s individual performance goals (MBOs); and Customer Success target bonus.

Core Financial Objectives. The Committee established the Core Financial Objectives for 2014 based on NPOI and Adjusted Free Cash Flow. We use NPOI as 60% of the Core Financial Objectives because it:

- reflects our highest business imperative driving growth in profit by increasing revenue and controlling operating costs;
- is balanced with driving a strong focus on asset utilization, working capital, and cash flow;
- is simple to calculate and easily understood by both employees and stockholders;
- is a measure that we can track throughout the year; and
- is a critical measure investors use to assess our execution of annual operations.

We use Adjusted Free Cash Flow as 40% of the Core Financial Objectives because it:

- provides the company the resources required to invest in new technologies and innovations that fuel future growth;

encourages the Company to maximize cash flow from operations through increased revenue and sales while reducing operating expenditures where possible; and

encourages management to focus on working capital.

	2014 Core Financial Metrics		
Metric	**Definition**	**Impact on our Financials**	**Impact on our Behavior**
NPOI[(1)]	Our income (loss) from operations as reported under generally accepted accounting principles, excluding the impact of our pension expense and certain specified special items.	Profit (Loss) on our Income Statement (non-GAAP).	Forces decision-making to produce results aligned to achieving our long-term strategic objectives. Management can only be rewarded financially each year when they drive both profitable growth and use capital efficiently.
Adjusted Free Cash Flow[(1)]	Our net cash provided by operating activities and discontinued operations, less capital expenditures for property, plant and equipment, less additions to capitalized software, and discretionary pension contributions.	Income Statement and Statement of Cash Flow (non-GAAP).	Forces decision-making to provide available cash for investment in our existing businesses, strategic acquisitions and investments, repurchase of NCR stock, and repayment of debt obligations.

(1) NPOI and Adjusted Free Cash Flow are non-GAAP measures. Income from operations and net cash provided by operating activities, respectively, are the most comparable GAAP measures. For reconciliation of GAAP to non-GAAP measures, see Exhibit 99.2 to the Company s Form 8-K filed on February 10, 2015.

We exclude the impact of our pension expense and certain specified special items from our NPOI Core Financial Objectives since they do not directly relate to an NEO s performance or the Company s operational success.

Core Financial Objective Thresholds, Target and Caps. The Committee approves threshold, target and maximum levels for NPOI and Adjusted Free Cash Flow, which, if achieved, would result in a preliminary determination of the MIP bonus at 25%, 100%, or 200% of the MIP target bonus, respectively. Awards are interpolated between these levels.

2014 Management Incentive Plan Threshold and Cap. Before any MIP award was payable for 2014, the Company had to achieve a threshold NPOI of $900 million. This NPOI performance level is 34% greater than the 2013 threshold NPOI of $670 million and 26% greater than he Company s actual 2013 NPOI of $717 million. The Adjusted Free Cash Flow threshold performance level of $380 million is 83.5% greater than the Company s actual 2013 Adjusted Free Cash Flow of $207 million. Establishing challenging performance thresholds for MIP eligibility demonstrates that our NEOs were required to achieve significant annualized NPOI and Adjusted Free Cash Flow growth in order to receive any payout for the MIP portion of their annual bonus. The annual bonus produced by the application of the formula described above is also subject to an absolute limit based on the Company s performance. The maximum annual bonus payout opportunity for the CEO is 1.5% of NPOI. Our other NEOs have a maximum annual bonus payout opportunity of 0.75%.

Individual Performance Modifier. In addition to the Core Financial Objectives, the Committee also establishes MBOs for the CEO and, in conjunction with the CEO, for each other NEO, which are discussed below under 2014 NEO Individual Performance Modifier. These individual objectives are assigned to our NEOs based on their area of influence and on objectives that, if achieved, would be critical for the Company to achieve its overall financial goals and stretch internal objectives. Based on the extent to which an individual NEO satisfies his or her MBOs, the Committee determines an individual performance modifier that is used to increase or decrease the amount of the preliminary MIP bonus as determined by the Core Financial Objectives. The individual performance modifier can range from 0% for poor performance to 150% for exceptional performance.

Customer Success Bonus. Because of the critical importance of customer retention, customer referrals and customer relationships, the Customer Success Bonus is retained as a separate component of the annual incentive plan with its own separate award structure. The Customer Success objective is linked to a semi-annual survey of customers conducted by an independent third party where the actual payout is determined at the discretion of the Committee for the CEO and at the discretion of the CEO for the other NEOs. For 2014, the Committee established incentive targets for the participants in the MIP based on peer group data and positioning within the senior leadership team. The 2014 target annual MIP opportunities for our NEOs were:

Summary of the Management Incentive Plan (MIP) Total Bonus Opportunity for 2014

(all figures expressed as a percentage of base salary)

Name	Year-End MIP Bonus Target	Customer Success Target	Total 2014 MIP Target	Total Annual Bonus Opportunity
William R. Nuti	140%	10%	150%	0% to 430%
Robert P. Fishman	100%	10%	110%	0% to 310%
Andrew S. Heyman	90%	10%	100%	0% to 280%
Frederick J. Marquardt	100%	10%	110%	0% to 310%
Michael B. Bayer	90%	10%	100%	0% to 280%
John G. Bruno	100%	10%	110%	0% to 310%

(1) Mr. Marquardt s MIP bonus target was increased to 90% from 75% of base salary as part of the annual compensation review process to bring him to a market-competitive level and to 100% from 90% of base salary as part of his promotion to Executive Vice President, Services, Hardware Solutions & Enterprise Quality.

By way of illustration, in the case of the CEO, if the Core Financial Objectives had been met at the maximum level, this could have generated a preliminary MIP bonus of 280% (200% of his 140% target bonus). If he had achieved the maximum individual performance modifier of 150%, his bonus could have become 420% (150% of his preliminary MIP bonus of 280%). If the Customer Success objective (10%) also had been met, his total bonus under the MIP could have been 430% of his base salary.

2014 NEO Objective Setting. The Committee established multiple MBOs for each participating NEO as described below. These MBOs were selected because they directly complement our corporate strategic goals of:

Growing revenue;

Expanding margins;

Improving the customer experience so that it provides a competitive advantage;

Continuing to shift the focus towards software, cloud offerings and other services as a primary source of the Company s annual revenue;

Improving sales and go-to-market execution across both the Company s core and emerging industries;

Furthering our strategy to grow into market adjacencies and continue to improve the revenue mix with a higher percentage of software and services;

Talent objectives; and

Delivering disruptive innovation across all industries.

2014 MIP Core Financial Objectives, Performance Results and Payouts. The Committee established the 2014 Core Financial Objectives to align with our corporate objective as shown below. Also shown below are the MIP results and the incentive award payouts approved for each participating NEO for the 2014 performance year. NPOI for the year was $820 million which failed to meet the threshold NPOI objective of $900 million. Adjusted Free Cash Flow for the year was $313 million which failed to meet the threshold Adjusted Free Cash Flow objective of $380 million. These performance results against our internal annual incentive plan financial metrics resulted in an earned payout of 0% of target and therefore none of our NEOs earned any award under the 2014 annual MIP program.

Summary of the Management Incentive Plan (MIP) Performance Objectives/Results for 2014

MIP Discretionary Objectives	2014 Performance Objectives ($M) Threshold *(25% Funded)*	Target *(100% Funded)*	Maximum *(200% Funded)*	2014 Performance Results ($M)	2014 MIP Payout Funding
Non-Pension Operating Income (60%)	$900	$920	$1,010	$820	0%
Adjusted Free Cash Flow (40%)	$380	$430	$530	$313	0%
Customer Success Objective	Payout linked to the Company s overall customer satisfaction			Below Expectations	0%

2014 Individual Performance Modifier Assessment. Although Mr. Nuti and other NEOs did achieve and exceed many of their 2014 individual objectives, collectively the Company s financial performance did not meet expectations and 2014 results fell short on each of the MIP s threshold performance objectives. Therefore it was determined that no MIP awards would be paid to the CEO or any other NEO for 2014 in keeping with our pay-for-performance philosophy. While individual objectives were established for Mr. Bruno, in light of his resignation in August 2014, he was not eligible to receive any 2014 MIP award.

The following is a summary of the total annual bonus payments under MIP approved for each participating NEO for the 2014 performance year. Mr. Bruno resigned from the Company on August 31, 2014 and was not eligible for a MIP award.

Summary of Management Incentive Plan (MIP) Participation and Payout for 2014

Name	2014 Target MIP[(1)]	MIP Payout Earned as % of Target	Funded MIP Payout (Before IPM)	Individual Performance Modifier	MIP Payout (After IPM)	Customer Success Payout (10% of Target)	Total Bonus Payout
William R. Nuti	$1,400,000	0%	$0		$0	$0	$0
Robert P. Fishman	$538,502	0%	$0		$0	$0	$0
Andrew S. Heyman	$453,635	0%	$0		$0	$0	$0
Frederick J. Marquardt	$482,404	0%	$0		$0	$0	$0
Michael B. Bayer	$187,929[(2)]	0%	$0		$0	$0	$0

John G. Bruno	$466,385	0%	$0	$0	$0	$0

(1) Reflects prorating for mid-year salary and/or target bonus changes and for Mr. Bayer, reflects a pro rated amount given his start date of August 1, 2014.

(2) Mr. Bayer s target MIP is established in Euros, which was converted to U.S. dollars for reporting purposes using the 2014 year-end exchange rate of 1.219 USD/EUR.

Pursuant to his employment offer to join the Company, Mr. Bayer received a guaranteed minimum bonus award of 175,000 for his period of employment with the Company during 2014. In addition to Mr. Bayer s award, Messrs. Heyman and Marquardt each received discretionary bonuses for 2014 that were recommended by the

CEO and approved by the Committee. Mr. Heyman was awarded $100,000 for over-achievement on the integration of Digital Insight, Software Plan Execution and overall growth and performance for the Financial Services Division. Mr. Marquardt was awarded $100,000 for improvement on Services delivery execution throughout 2014 and specifically delivering strong results in the fourth quarter of 2014.

2014 Annual Long-Term Incentive Plan. Our LTI program ensures that a large portion of total compensation for executives is directly aligned with Company performance and changes in stockholder value. Awards can be made in cash or Company stock with performance-based or time-based vesting and a minimum three-year vesting schedule. LTI awards are made under the SIP and the EPP.

Equity Award Grant Process. All equity awards granted as part of annual total compensation for executive officers and other employees are made on specific cycle dates, typically in February, and are approved in advance by the Committee. In addition to annual LTI grants, we grant ad hoc equity awards to new hires, in connection with promotions, or for retention purposes. Ad hoc equity awards made to our Section 16 Officers must be approved in advance by the Committee. Ad hoc equity awards for all employees other than Section 16 Officers are approved by our CEO. Ad hoc equity awards with a value of over $250,000 are also approved by our Senior Vice President, Corporate Services & Chief Human Resources Officer. Ad hoc award equity awards made by the CEO pursuant to this delegation are reviewed annually with the Committee.

The number of shares of restricted stock, shares subject to restricted stock units or options granted is determined by converting the dollar value approved by the Committee into a specific number of shares. The number of shares of restricted stock or shares subject to restricted stock units and the number of stock options is determined based on the closing price of NCR common stock on the date of grant. The exercise price for stock option awards is the closing price of NCR common stock on the date of grant. For grants awarded prior to 2012, the number of shares of restricted stock and shares subject to restricted stock units was determined by dividing the approved dollar value by the average of the closing price of NCR common stock for the 20 trading days preceding the grant date. In the case of options, the approved dollar value was divided by the average of the closing price of NCR common stock for the 20 trading days preceding the grant date and then divided by the current year s Black-Scholes valuation factor.

2014 Annual LTI Equity Awards. The use of equity for our long-term incentive plan links our executives and stockholders to a common goal: sustainable stockholder value creation. The combination of performance-based and time-based restricted stock units creates commonality of interests with stockholders, helps manage our ability to retain our key executives, and provides a good balance to our executives and protection to our stockholders since wealth creation can be realizable by an executive only when both long-term performance goals and time-based milestones are achieved.

Target Award Levels. The Committee annually approves a budget for the aggregate long-term incentives to be granted on a Company-wide basis. The accounting expense, stockholder dilution, percentage of shares allocated to the Company s long-term incentive program, and the Company s usage of allocated shares for the long-term incentive program are all factors considered in the Committee s budget decision. With respect to long-term incentive awards to executive officers, the Committee determines the appropriate level of award for each position based on external market data and internal comparisons in order to meet the competitive market for that position, reserving a portion of the total share pool for ad hoc awards for newly hired employees, promotions, and retention needs that may occur during the year.

Award Mix. The 2014 annual equity award mix for NEOs is 75% performance-based restricted stock units and 25% time-based restricted stock units. This mix is consistent with our objective of keeping a significant portion of our variable compensation as performance-based while balancing the need to maintain a certain level of retention through time-based milestones.

Time-based Awards. Time-based restricted stock units awarded in 2014 vest 100% on the third anniversary of the grant date. These equity awards are subject to the executive s continued employment with the

Company on the vesting date subject to certain limited exceptions in the event of death, disability, termination without cause, termination for good reason and change in control. These provisions are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 57 of this proxy statement.

Performance-based Awards. Performance-based restricted stock units awarded in 2014 have a two-year performance period with NPOICC as the secondary performance metric, except as described below with respect to certain 2014 performance-based Ad Hoc awards for Messrs. Marquardt and Bayer. However, the Company must achieve a two-year average return on capital (ROC the primary performance metric) performance threshold of 20% for the period from January 1, 2014 through December 31, 2015 before any performance-based restricted stock units awarded as part of our annual grant cycle can be earned. ROC is calculated by dividing NPOI by Controllable Capital, which represents the working capital that the management team has deployed at any given time. A two-year average 20% ROC performance threshold is a significant hurdle that ensures no performance-based restricted stock units can be earned if the Company does not generate enough ROC during the performance period to sustain and grow the business. This practice serves to mitigate risk in a challenging year and also protects the interests of our stockholders. Consistent with Section 162(m) of the Code, the Committee retains discretion to decrease, but not increase, the final number of 2014 performance-based restricted stock unit awards earned.

Award Levels. The maximum share payout for performance-based restricted stock units awarded in 2014 is 125% of target. The calculation of the number of shares earned is based on the following calculation of NPOICC:

Non-Pension Operating Income minus Capital Charge (NPOICC)			
Formula	**Definition**	**Impact on our Financials**	**Impact on our Behavior**
NPOI[1]	**Non-Pension Operating Income** (NPOI) is our income (loss) from operations as reported under generally accepted accounting principles, excluding the impact of our pension expense and certain specified special items.	Profit (Loss) on our Income Statement (non-GAAP)	Drive Revenue Growth and Expand Gross Margin
Capital Charge	**Capital Charge** is our controllable capital multiplied by our annual weighted average cost of capital (WACC) which was 9.6% for 2013 **Controllable Capital** is our working capital (accounts receivable plus inventory, minus the sum of accounts payable, deferred revenue and customer deposits), plus the sum of property, plant and equipment, other current assets excluding taxes, and capitalized software, minus the sum of accrued payroll and employee benefits liabilities and other current liabilities, excluding taxes and severance **Weighted Average Cost of Capital** (WACC) is defined as the sum of: a) the product of (i) the cost of equity, and (ii) the weighted market value of the Company s common shares outstanding + b) the product of (i) the cost of debt, and (ii) the weighted market value of the Company s long-term and short- term debt divided by:	Changes in Assets, Liabilities & Stockholders Equity on our Balance Sheet (non-GAAP)	Efficient use of Capital (Assets, Debt and Stock)

	c) the sum of the weighted market value of common shares outstanding and the weighted market value of long-term debt and short-term debt		
=	=		
NPOICC	Non-Pension Operating Income minus Capital Charge (NPOICC)	Changes in our Stock Price, Market Capitalization, and Enterprise Value	Create Sustainable Enterprise Value for Stockholders

(1) NPOI is a non-GAAP measure. Income from operations is the most comparable GAAP measure. For reconciliation of GAAP to non-GAAP measures, see Exhibit 99.2 to the Company s Form 8-K filed on February 10, 2015.

We take into consideration capital charges for the year because these charges represent our cost of capital as used in our operations and corporate activities. By incorporating capital charges into the performance measure, we are able to ensure the NEOs consider the short-term and long-term impact of their decisions. The long-term impact is based on charging a cost of capital for long-term assets to reflect our investors assumed expected return on equity capital. The short-term financial consequence is based on the charge associated with working capital items such as accounts receivable, inventory and other current assets. As a result, we expect the Core Financial Objective to motivate the NEOs to prudently manage our assets as they work to increase revenue and lower operating costs.

Vesting. Any 2014 performance-based restricted stock unit payout earned following the end of the two-year performance period in December of 2015 will vest on October 24, 2017. All of our equity awards are subject to the executive s continued employment with the Company on the vesting date along with certain other rules in the event of death, disability, termination without cause, termination for good reason and change in control. These provisions are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 57 of this proxy statement.

2014 Results. The NPOICC result achieved for 2014 was $695 million. For our 2013 performance-based restricted stock unit awards, the 2013 NPOICC of $592 million resulted in a preliminary award of 100.8% of target. Since the 2014 NPOICC of $695 million exceeded the 2013 target NPOICC of $590.0 million, the performance-based awards granted on February 25, 2013 will be awarded at 100.8% of target and will vest 100% on October 25, 2016.

For our 2014 performance-based restricted stock unit award, the 2014 NPOICC of $695 million resulted in an earned payout of 43.6% of the target number of units granted on February 24, 2014. Since the payout earned for 2014 is less than 100% of the target award level, 43.6% becomes the maximum award payout and is now subject to the two-year average ROC requirement, along with the vesting requirement of continued employment with the Company through October 24, 2017. Below is a historical view of how the Company has paid out on the annual performance-based restricted stock unit awards granted.

Annual LTI Award Performance Goals, Results and Payouts

LTI Award Year	Annual LTI Award Performance Period	Annual LTI Performance Range (Threshold-Target-Maximum) (NPOICC in $M)	Return on Capital Results	NPOICC Results ($M)	LTI Final Payout
2014	1/1/2014 to 12/31/2015	$665 - $785 - $865	62.7%	$695	43.6%
2013	1/1/2013 to 12/31/2014	$530 - $590 - $650	57.5%	$592	100.8%
2012	1/1/2012 to 12/31/2013	$420 - $450 - $515	58.5%	$486	127.8%

Long-term equity incentive values to the NEOs during 2014 are summarized as follows:

	2014 Annual LTI Award Value(1)		
Name	Performance-Based RSU Award Value (75%)	Time-Based RSU Award Value (25%)	Total Annual LTI Award Value
William R. Nuti	$3,749,991	$1,250,008	$4,999,999
Robert P. Fishman	$562,525	$187,486	$750,011
Andrew S. Heyman	$750,012	$249,982	$999,994
Frederick J. Marquardt	$487,498	$162,488	$649,986
Michael B. Bayer(2)	$0	$0	$0
John G. Bruno(3)	$1,275,006	$425,002	$1,700,008

(1) Represents the grant date fair value of the LTI awards granted in 2014, as summarized on the Grants of Plan-Based Awards for 2014 table on page 52 of this proxy statement.

(2) Mr. Bayer was not employed by the Company at the time of the 2014 Annual LTI award.

(3) Mr. Bruno forfeited all unvested equity at the time of his resignation.

2014 Ad Hoc LTI Awards. The Committee approved an Ad Hoc LTI award to Mr. Marquardt in 2014 as recognition for his promotion to Executive Vice President, Services, Hardware Solutions & Enterprise Quality, becoming a Section 16 Officer, to increase the retention value of his unvested equity, and to create a strong link between Mr. Marquardt and stockholders. In addition, the Committee approved an Ad Hoc LTI award to Mr. Bayer in 2014 at the time of his hire and then again to increase the retention value of his unvested equity and to create a strong link between Mr. Bayer and stockholders. Mr. Bayer s new hire award was in the form of time-based restricted stock units since he was not an executive officer of the Company at that time. The Ad Hoc LTI awards to Messrs. Marquardt and Bayer in May and December, respectively, are single-metric performance-based awards in compliance with our policy that retention awards to executive officers will include performance-based vesting conditions. Vesting of single-metric performance-based awards is contingent on the Company achieving a Committee-approved NPOI performance threshold for the performance period of January 1, 2015 through December 31, 2015. If the performance level is achieved, the awards will vest on the third anniversary of the grant date, provided each recipient is continuously employed by the Company until that date. The Committee believes that the NPOI performance threshold established for these awards will be difficult to achieve, but is attainable. No other NEOs received Ad Hoc LTI awards during 2014.

2014 Ad Hoc RSU Awards

Name	Award Type	Grant Date	Total Award Value
Frederick J. Marquardt	Performance-based RSUs	May 1, 2014	$ 250,009
Michael B. Bayer	Time-based RSUs	August 1, 2014	$ 600,000
	Performance-based RSUs	December 1, 2014	$ 399,999

Update on Prior Performance-Based Restricted Stock Unit Awards

2012 Performance-Based Restricted Stock Units. In 2012, the Committee granted performance-based restricted stock units to our NEOs, other than Mr. Bayer who joined the Company during 2014. The awards were granted with a two-year performance period that commenced January 1, 2012 and ended December 31, 2013. The number of shares earned could range, according to the level of performance achieved, from a threshold of 25% to a maximum of 150% of the performance-based units granted. In February 2014, the Committee certified that the performance conditions for these awards were achieved at 127.8% of target. The awards had a threshold performance target of 20% ROC, which was also achieved. These awards vested 50% on February 28, 2015 and will vest 50% on October 28, 2015, subject to the executive s continued employment with the Company through the vesting date along with certain other rules in the event of death, disability, termination without cause, termination for good reason and change in control, which are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 57 of this proxy statement.

2013 Performance-Based Restricted Stock Units. In 2013, the Committee granted performance-based restricted stock units to our NEOs, other than Mr. Bayer who joined the Company during 2014. The awards were granted with a two-year performance period that commenced January 1, 2013 and ended December 31, 2014. The number of shares earned could range, according to the level of performance achieved, from a threshold of 25% to a maximum of 125% of the performance-based units granted. In February 2015, the Committee certified that the performance conditions for these awards were achieved at 100.8% of target. The awards had a threshold performance target of 20% ROC, which was also achieved. These awards will vest 100% on October 24, 2016, subject to the executive s continued employment with the Company through the vesting date along with certain other rules in the event of, death, disability, termination without cause, termination for good reason and change in control which are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 57 of this proxy statement.

2014 Economic Profit Plan (EPP). The EPP is designed to further link the incentive compensation of the participants to the long-term, sustainable creation of stockholder value and to strike a balance with the dilution that can occur with equity based awards. The financial metric used for the 2014 EPP is the Company s 2014 Economic Profit. Economic Profit (EP) is defined for 2014 as:

(i) the Company s non-pension operating income (NPOI), less

(ii) the product of the Company s Controllable Capital and Weighted Average Cost of Capital (WACC).

The Committee chose to align the WACC calculation between the NPOICC for our performance-based restricted stock unit awards and the EPP at a fixed rate of 9.6% for the 2014 performance year, which was the four-quarter average of our WACC in 2013.

The EPP does not establish goals or have a target. Rather, the EPP allows participants to share in a portion of the economic profit that they helped to create. Payments under the EPP may be made annually and are subject to adjustment based on future years economic profit. As a result, transactions can be included when they are complete and WACC can be averaged each year to more closely align the overall program with the actual transactions and actual costs of capital. The impact of any particular transaction or change in cost of capital is smoothed out over the years through the bonus banking mechanism described in more detail below.

In 2014, the Committee assigned to each executive participating in the EPP a specified percentage of the Company s economic profit. The maximum percentage of our economic profit that an NEO or other participant may receive for any performance year is 5.0%. This percentage is referred to as a participant s carried interest in the Company s economic profit and represents the participant s opportunity to receive annual cash payouts. Each year, a participant receives a bonus credit award equal to his or her carried interest percentage of economic profit for that year. The bonus credit is credited to the participant s account, known as a Bonus Bank, under the EPP. This credit may be positive or negative. Therefore, future year payments may not correlate to an individual year s performance, as the Bonus Bank value is dependent upon multi-year performance. The EPP provides that participants receive a payout equal to 33% of the balance of their Bonus Bank in August of the following year, provided that the Company also passes the annual cash flow test.

The EPP provides that, under this cash flow test, the Company s annual Cash Flow from Operations (as defined below under 2014 Economic Profit Results, EPP Bonus Credit awards and Payouts) must be equal to or exceed 1% of the Company s total revenue. The EPP further provides that if the Company does not pass this cash flow test, the amount that would otherwise have been paid from a participant s Bonus Bank will instead remain in the participant s Bonus Bank, without interest. Additionally, if a participant were to receive a bonus credit under the

EPP in excess of $10 million in the calendar year, the amount of the bonus credit in excess of $10 million will not be paid in such year. The excess amount will remain in the participant s Bonus Bank, without interest.

A participant forfeits the amount held in his or her Bonus Bank in the event of a voluntary termination of employment without good reason or an involuntary termination for cause. However, there are special rules in the event of death, disability, involuntary termination without cause, termination for good reason, or a termination following a qualifying change in control which are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 57 of this proxy statement.

In 2014 the Committee amended the plan so that the Cash Flow Test used to determine if a contribution can be made to the Bonus Bank balance for involuntarily terminated EPP participants will be the Cash Flow Test in effect before 2013 when the Committee had no discretion to exclude from the Cash Flow Test extraordinary contributions/payments made by the Company in connection with the Company s pension strategy or other extraordinary cash items as determined by the Committee. This amendment was made to avoid any potential with Section 409(A) of the Code.

Consistent with Section 162(m) of the Code, the Committee does not increase the originally established 2014 carried interest of a participant during a performance year. However, the Committee retains the discretion to reduce the bonus credit to a participant s Bonus Bank or to reduce the amount previously credited to a participant s Bonus Bank. Such reductions could be based on the Company s performance against its financial and strategic objectives, a business unit s performance against its annual financial and operational goals, the executive s performance against his or her individual MBOs or other factors determined to be relevant by the Committee.

There are several advantages to the plan design of the EPP. First, it recognizes that internally established targets are by definition difficult to calibrate given the volatility in the economic environment, whereas the EPP pays on absolute economic value created. Second, EPP payouts operate as a natural retention device with the payments scheduled in August, separate from other vesting dates or award payout events.

2014 Economic Profit Results, EPP Bonus Credit Awards and Payouts. Economic profit for the 2014 performance year was $695 million. Also, the Company exceeded the cash flow test requirement under the EPP since Adjusted Cash Flow from Operations of $572 million was greater than 1% of total revenues for 2014 (or $66 million).

Summary of the Economic Profit Calculation and EPP Cash Flow Test Results for 2014

Economic Profit Calculation ($M)			**EPP Cash Flow Test ($M)**	
			Cash Flow from Operations	$524
NPOI[1]		$820	Pension Adjustment	$48
			Adjusted Cash Flow from Operations[1][2]	$572
Controllable Capital	*$1,307*		Total Revenues	$ 6,591
WACC	*9.6%*		Cash Flow Hurdle Rate (% of Total Revenues)	1.0%
Less: Capital Charge		$(125)	Cash Flow Hurdle Amount	$66
Economic Profit		$695	Cash Flow Test Passed	

(1) NPOI and Adjusted Cash Flow from Operations are non-GAAP measures. Income from operations and net cash provided by operating activities, respectively, are the most comparable GAAP measures. For reconciliation of GAAP to non-GAAP measures, see Exhibit 99.2 to the Company s Form 8-K filed on February 10, 2015.

(2) Adjusted Cash Flow from Operations is net cash provided by (used in) operating activities (in 2014, $524.0 million), adjusted to exclude any extraordinary cash payments made to or under the Company s global defined benefit pension and retirement plans in connection with the

Company s strategy to reduce pension liability or increase pension funding (including but not limited to, cash payments made in connection with any annuity purchase, plan termination or settlement).

Although an Economic Profit of $695 million was achieved for 2014, which would have resulted in an EPP bonus credit award of $9.9 million for all plan participants, the Company did not achieve key financial results and operational goals for the 2014 performance year. Further, in keeping with the Company s pay-for-performance culture the CEO requested that the Committee not award any EPP bonus credit award to himself or any member of the management team for the 2014 performance year. The Committee acknowledged the CEO s leadership on the proposed action and approved this recommendation.

The participation level of each NEO and the amounts earned under the EPP for the 2014 performance year are summarized as follows:

Summary of 2014 Economic Profit Plan Participation, Bonus Credit Awards, and Cash Payout

Name	2014 EPP Carried Interest	Ending 2013 Bank Balance (After 2013 Payout)	2014 EPP Bonus Credit Award	Bank Balance (Before 2014 Payout)[1]	2014 EPP Cash Payout[2]	2014 Ending EPP Bank Balance (After 2014 Payout)
William R. Nuti	0.900%	$8,751,983	$0	$8,751,983	$2,888,154	$5,863,829
Robert P. Fishman	0.150%	$1,068,844	$0	$1,068,844	$352,719	$716,125
Andrew S. Heyman	0.150%	$495,800	$0	$495,800	$163,614	$332,186
Frederick J. Marquardt	0.125%	$396,640	$0	$396,640	$130,891	$265,749
Michael B. Bayer[3]	0.000%	$0	$0	$0	$0	$0
John G. Bruno[4]	0.200%	$1,542,729	$0	$0	$0	$0

(1) 33% of the Bank Balance (before 2014 payout) is the 2014 EPP Cash Payout.

(2) The 2014 EPP Cash Payout is payable in August 2015 in accordance with the terms and conditions of the EPP.

(3) Mr. Bayer did not participate in the 2014 Economic Profit Plan as he joined the Company in August 2014.

(4) Mr. Bruno s entire Bank Balance was forfeited upon his resignation effective August 31, 2014.

2015 Annual Long-Term Incentive Program

<u>2015 Annual LTI Awards.</u> The Committee made several modifications to the design of our 2015 LTI awards, including:

- increasing the maximum award payable under the Performance-Based Restricted Stock Unit program to 150% of target (up from 125%) to better align the program with market practices and to keep our executive team fully focused and rewarded for significant overachievement of our financial goals established for 2015;

- modifying the vesting schedule for newly awarded time-based restricted stock units granted after January 1, 2015 to a ratable vesting schedule, with one-third of units vesting on each anniversary of the grant date. Formerly, time-based restricted stock units vested 100% on the third anniversary of the grant date. The Committee made this change to better align with market practices and to facilitate the Company s ability to attract and retain top talent; and

- introducing prorated vesting for employees who voluntarily terminate their employment with the Company after reaching age 62 with 10 years of continuous service. Formerly, a voluntary termination by an employee age 62 with 10 years of continuous service would result in the forfeiture of unvested awards. The Committee made this change to better align with market practices.

The 2015 LTI awards for our NEOs remain 75% performance-based restricted stock units and 25% time-based restricted stock units. This mix balances our desire to keep a significant portion of pay performance-based with the need to maintain a certain level of retention value. The performance-based awards are subject to a two-year performance period.

The number of shares earned as part of the 2015 LTI award will be determined initially based on the NPOICC achieved during the 2015 fiscal year (between a threshold, target, and maximum payout objective) and, to the extent the number of shares earned exceeds the 2015 target, the number of shares earned may be further adjusted based on the NPOICC achieved during the 2016 fiscal year. In this case, the Company must also achieve NPOICC results for the 2016 fiscal year at least equal to target NPOICC set for the 2015 fiscal year, or the final number of shares earned will be reduced to the target number of shares granted. Any shares earned under the 2015 annual LTI plan will vest 100% on October 23, 2018.

Both the performance-based and time-based portions of the 2015 Annual LTI award are subject to the executive s continued employment with the Company through the vesting date subject to certain exceptions in the event of death, disability, termination without cause, termination for good reason and change in control which are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 57 of this proxy statement.

2015 Economic Profit Plan. EPP awards will continue to be a portion of the overall LTI award value granted to NEOs that would otherwise be granted as restricted stock units under the SIP. Each participating executive will receive a carried interest in the EPP that provides an opportunity for a Bonus Credit award based on Economic Profit. In January 2015, the Committee approved an amendment and restatement of the EPP, including a modification to the EPP definition of Economic Profit, contingent upon shareholder approval of Item 4 found on page 73 of this proxy statement. The Committee, in consultation with its compensation consultant, made this change to better capture the EVA created by the decisions of our NEOs. Under the modified definition, beginning in 2015 Economic Profit (EP) is defined as:

(i) the Company s Net Operating Profit After Tax (NOPAT), less

(ii) the product of the Company s Total Invested Capital and Weighted Average Cost of Capital (WACC).

For purposes of this modified definition, the terms NOPAT, Total Invested Capital and WACC have the meanings described in the materials for shareholder approval in Item 4 of this proxy statement.

The Committee chose to align the WACC calculation between the NPOICC and the EPP at a fixed rate of 9.0% for the 2015 performance year, which was the Company s quarterly average WACC during 2014. The maximum percentage of our Economic Profit that a participant may receive for any performance year is 5.0%.

The long-term incentive awards granted to each NEO for the 2015 fiscal year are summarized as follows:

Summary of Long-Term Incentive Awards Granted in 2015

	2015 Annual LTI Award Value[(1)]			
Name	**Performance-Based RSU Award Value (75%)**	**Time-Based RSU Award Value (25%)**	**Total Annual LTI Award Value**	**2015 EPP Participation**
William R. Nuti	$6,000,000	$2,000,000	$8,000,000	0.65% Carried Interest
Robert P. Fishman	$825,000	$275,000	$1,100,000	0.48% Carried Interest
Andrew S. Heyman	$1,125,000	$375,000	$1,500,000	0.65% Carried Interest
Frederick J. Marquardt	$1,125,000	$375,000	$1,500,000	0.65% Carried Interest

Michael B. Bayer	$1,125,000	$375,000	$1,500,000	0.65% Carried Interest

(1) Represents the 2015 LTI dollar value approved by the Committee for each award.

Executive Perquisites. Our executives are eligible for limited perquisites which do not comprise a significant amount of compensation provided under our executive compensation program. They include financial counseling, executive medical exam, relocation benefits, and also with respect to our CEO, occasional hotel accommodation, limited personal use of corporate aircraft, and security expenses. 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 with less concern for the situations covered by these perquisites. In 2014, the Committee approved an increase to our CEO s annual personal use allowance of the Company s aircraft to $100,000 based on the Internal Revenue Service s standard industry fare level in order to be more competitive with market practices. A more detailed description of these perquisites and the incremental costs to the Company associated with providing each of these perquisites are contained in the Perquisites Table and the footnotes to the Perquisites Table on page 49 of this proxy statement.

The Committee prohibits all tax reimbursements (or tax gross-ups) with the exception of those provided in connection with relocations required by the Company, which are generally also provided to all non-executive employees, and those that may be provided in the event of a qualifying termination following a change in control of the Company to participants in the Change in Control Severance Plan who entered the plan prior to January 28, 2010 (as discussed below).

Retirement Benefits. All of our U.S. pension plans were closed to new entrants in 2004 and benefits were frozen as of December 31, 2006. Certain pension benefits continue to be provided under certain non-U.S. pension plans. The actuarial present values of the accumulated pension benefits as of the end of 2014 for Messrs. Fishman and Bayer, our only NEOs who are entitled to benefits under Company pension plans, as well as other information about the plans in which these NEOs participate, are reported in the Pension Benefits Table and the narrative to that table beginning on page 56 of this proxy statement.

The Company maintains the NCR Savings Plan, a 401(k) plan, to which it made matching contributions in 2014. For our NEOs the match amount was equal to 50% of the first 4% of each NEO s eligible pay ($260,000 for 2014) contributed to the plan from January 1, 2014 until March 30, 2014 and then equal to 50% of the first 8% of each NEO s eligible pay for the remainder of 2014, up to a maximum matching contribution of $6,000.

Change in Control Arrangements. If the Company considers transactions that could result in a change in control of the Company, we want to ensure that key members of management have incentives to remain during this process and evaluate potential transactions in an independent and objective manner that may maximize stockholder value. In 2006, we adopted the Change in Control Severance Plan. As described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 57 of this proxy statement, benefits under the Change in Control Severance Plan are paid only if both a qualifying change in control and a qualifying termination of employment occur (a double-trigger).

The Change in Control Severance Plan provides for separation payments and benefits to certain of our executives based on the plan tier level assigned by the Committee. For the CEO the cash severance payout benefit is 300% of the sum of the CEO s base salary and target bonus amount, and for the other NEOs it is 200% of base salary plus target bonus. There are no tax gross-ups under the plan, except in the case of participants who entered the plan prior to January 28, 2010. The tax gross-up only applies if the aggregate value of all severance and other change in control payments to the participant exceeds 110% of the maximum amount that could be paid under Section 280G of the Code without imposition of an excise tax. If the value of such payments would not exceed the 110% threshold, then the payments would be reduced to the extent necessary to avoid imposition of the excise tax.

Additional details regarding the payments and benefits provided to the NEOs upon satisfaction of the double-trigger are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 57 of this proxy statement.

Severance Benefits. To ensure that we offer competitive executive compensation programs, when appropriate, we believe it is important to provide reasonable severance benefits to our executives, including the NEOs. Our current severance arrangement for the CEO was provided as a result of negotiations at the time of his hire in order to attract him to the Company. A description of the severance arrangement with our CEO is described in detail in the *Agreements with our Named Executive Officers* section on page 50 of this proxy statement. In 2014

the Committee adopted the Executive Severance Plan to better align our executive severance benefits with market practices and to facilitate the Company s ability to attract and retain top talent. This Executive Severance Plan provides for lump sum cash severance equal to 1x Base Salary plus certain other severance benefits for eligible executives in the event of a qualifying termination. The Executive Severance Plan is described in detail in the *Potential Payments Upon Termination or Change In Control* section on page 57 of this proxy statement.

Compensation Recovery Policy. Under our Compensation Recovery Policy (or claw back policy), each executive officer must repay or forfeit, as directed by the Committee, any annual incentive, long-term incentive, equity-based award or other performance-based award received by him or her if:

- the payment, grant or vesting of such compensation was based on the achievement of financial results that were the subject of a restatement of the Company s financial statements, as filed with the Securities and Exchange Commission;

- the need for the restatement was identified within three years after the date of the first public issuance or filing of the financial results that were subsequently restated;

- the Committee determines in its sole discretion that the executive officer s negligence, fraud or misconduct caused or contributed to the need for the restatement; and

- the Committee determines in its sole discretion that it is in the best interests of the Company and its stockholders for the executive officer to repay or forfeit all or any portion of the compensation.

In addition, if the Committee determines that this policy applies to an executive officer, then in addition to the above provisions, the executive officer must, to the fullest extent permitted by law and as directed by the Committee: (i) forfeit any outstanding equity-based awards; and (ii) repay the amount received upon settlement of any time-based equity awards or any gains realized upon the exercise of stock options.

Stock Ownership Guidelines

We have adopted stock ownership guidelines for our NEOs to ensure that our NEOs maintain an equity interest in the Company at a level sufficient to assure our stockholders of our NEOs commitment to value creation. All NEOs have a five-year period from the date of hire or, if applicable promotion, to achieve the stock ownership guidelines. For these purposes, stock ownership includes shares owned outright by the NEO, interests in restricted stock and restricted stock units, and stock acquired through our employee stock purchase plan. Stock options are not taken into consideration in meeting the ownership guidelines.

As of December 31, 2014, all of our then employed NEOs exceeded these guidelines with the exception of Mr. Bayer, who joined the Company in August 2014. Mr. Bruno is not reflected in the chart below given his August 2014 resignation.

Name	**Stock Ownership Guideline** *(multiple of base salary)*	**Stock Ownership Achieved** *(as of December 31, 2014)*
William R. Nuti	6.0 times	15.3 times

Robert P. Fishman	2.0 times	3.5 times
Andrew S. Heyman	2.0 times	4.4 times
Frederick J. Marquardt	2.0 times	3.4 times
Michael B. Bayer	2.0 times	1.8 times

Company Policy on Hedging

The Company s Insider Trading Policy prohibits employees from trading in derivative securities of the Company. For this purpose, derivative securities is defined as including publicly traded options, short sales, puts, calls, strips or similar derivative securities whether or not issued directly by the Company or by any stock exchange.

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. While we generally award incentive compensation that is intended to be deductible, 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.

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, 2014 and the Company s proxy statement to be filed in connection with the Company s 2015 Annual Meeting of Stockholders, each of which will be filed with the Securities and Exchange Commission.

Dated: February 23, 2015

The Compensation and Human Resource Committee:

Linda Fayne Levinson, Chair

Edward Pete Boykin, Member

Gary J. Daichendt, Member

Richard T. Mick McGuire III, Member

COMPENSATION TABLES

The Summary Compensation Table below shows the total compensation paid to or earned by each of our Named Executive Officers with respect to the fiscal years ending December 31, 2014, 2013, and 2012.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)(1)	(f)(2)	($) (g)(3)	(h)(4)	(i)
William R. Nuti	2014	1,000,000		4,999,999	2,888,154		396,744	$ 9,284,897
Chairman of the Board,	2013	1,000,000		4,999,996	4,940,678		210,004	11,150,678
Chief Executive Officer	2012	1,000,000		4,500,002	4,130,654		175,350	9,806,006
and President								
Robert P. Fishman	2014	538,502		750,011	352,719	42,507	24,242	$ 1,707,981
Senior Vice President	2013	518,269		650,007	762,446		23,180	1,953,902
and Chief Financial Officer	2012	493,151		600,002	779,616	20,665	22,972	1,916,406
Andrew S. Heyman	2014	504,039	100,000	999,994	163,614		18,242	1,785,889
Senior Vice President,								
and President, Financial Services Division								
Frederick J. Marquardt	2014	499,038	100,000	899,994	130,891		23,425	1,653,348
Executive Vice President,								
Services, Hardware Solutions								
and Enterprise Quality								
Michael B. Bayer(5)	2014	214,662	213,325	999,999		181	28,976	$ 1,457,143
Senior Vice President,								
and President, Retail Solutions Division								
John G. Bruno	2014	466,385		1,700,008			17,792	2,184,185
Executive Vice President,	2013	603,846		650,007	1,007,851		23,720	2,285,424
Industry & Field Operations	2012	750,000		1,000,003	1,034,233		23,620	2,807,856
and Corporate Development								

(1) This column shows the aggregate grant date fair value, as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation Stock Compensation (FASB ASC Topic 718), of the stock awards granted to each Named Executive Officer in the applicable year. See Note 8 of the Notes to Consolidated Financial Statements contained in the Company s Annual Report on Form 10-K for the year ended December 31, 2014 (our 2014 Annual Report) for an explanation of the assumptions we made in the valuation of these awards. Assuming achievement of the highest level of performance, the aggregate grant date fair values of the performance-based restricted stock units granted in 2014 are as follows: Nuti: $4,687,489; Fishman: $703,157; Heyman: $937,515; Marquardt: $859,380; and Bayer; $399,999. For additional information about awards made in 2014, see the Grants of Plan-Based Awards For 2014 table on page 52 of this proxy statement.

(2) The amounts reported in 2014 are comprised of EPP to be paid in August 2015: Nuti: $2,888,154; Fishman: $352,719; Heyman: $163,614; and Marquardt: $130,891. The amounts reported in 2013 are comprised of MIP: Nuti: $630,000; Fishman: $236,000; and Bruno: $248,000, plus EPP: Nuti: $4,310,678; Fishman: $526,446; and Bruno: $759,851. The amounts reported in 2012 are comprised of MIP: Nuti: $1,050,000; Fishman: $431,250; and Bruno: $337,500, plus EPP: Nuti: $3,080,654; Fishman: $348,366; and Bruno $696,733.

(3) The aggregate change in actuarial values of the accumulated pension benefit under the Company s qualified pension benefit plans is applicable only to Messrs. Fishman and Bayer, and was $42,507 and $181, respectively. For more information regarding pension benefits, see the 2014 Pension Benefits Table on page 56 of this proxy statement.

(4) The amounts reported in this column consist of the aggregate incremental cost to the Company of the perquisites provided to 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 contributions made by the Company to the Savings Plan on behalf of the Named Executive Officers. Additional details regarding the amounts are included in the All Other Compensation Table and Perquisites Table, both of which can be found below.

(5) Mr. Bayer is paid in Euros, which were converted to U.S. dollars for reporting purposes using the 2014 year-end exchange rate of 1.219 USD/EUR.

All Other Compensation Table

The table below shows the value of perquisites, insurance premiums paid by the Company with respect to life insurance, and Company contributions to the NCR Savings Plan, a 401(k) plan, made on behalf of each of the Named Executive Officers.

Name	Year	Perquisites and Other Personal Benefits ($) (a)[1]	Insurance Premiums ($) (c)[2]	Company Contributions to Retirement and 401(k) Plans ($) (d)[3]	Total ($)
William R. Nuti	2014	388,584	2,160	6,000	396,744
Robert P. Fishman	2014	17,000	1,242	6,000	24,242
Andrew S. Heyman	2014	17,000	1,242		18,242
Frederick J. Marquardt	2014	17,000	1,242	5,183	23,425
Michael B. Bayer[4]	2014	27,060	1,916		28,976
John G. Bruno	2014	17,000	792		17,792

(1) The amounts in this column reflect the aggregate incremental cost to the Company for the perquisites and other personal benefits described in the Perquisites Table below.

(2) The amounts in this column reflect the dollar value of life insurance premiums paid by the Company with respect to life insurance for the benefit of each of the Named Executive Officers.

(3) The amounts in this column reflect contributions made by the Company to the Savings Plan or other Company defined contribution plans on behalf of each of the Named Executive Officers. The Company also makes such contributions on behalf of its non-executive employees.

(4) Mr. Bayer is paid in Euros, which were converted to U.S. dollars for reporting purposes using the 2014 year-end exchange rate of 1.219 USD/EUR.

Perquisites Table

The table below shows the aggregate incremental cost of perquisites provided to the Named Executive Officers during 2014. For additional details on items in this table see the *Executive Perquisites* section in the *Compensation Discussion and Analysis* on page 43 of this proxy statement.

Name	Year	Corporate Aircraft Usage ($) (a)[1]	Lodging ($) (b)[2]	Vehicle and Security ($) (c)[3]	Relocation ($) (d)[4]	Executive Medical Program ($) (e)[5]	Financial Planning Allowance ($) (f)[6]	Total ($)

William R. Nuti	2014	293,104	920	77,560		5,000	12,000	388,584
Robert P. Fishman	2014					5,000	12,000	17,000
Andrew S. Heyman	2014					5,000	12,000	17,000
Frederick J. Marquardt	2014					5,000	12,000	17,000
Michael B. Bayer	2014			8,001	2,059	5,000	12,000	27,060
John G. Bruno	2014					5,000	12,000	17,000

(1) The amounts in this column reflect the incremental cost to the Company of personal usage of the corporate aircraft. The incremental cost to the Company of 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 our CEO on corporate aircraft; however, the Company incurred de minimis incremental costs as a result of such travel and no amounts are reported in the table with respect to such travel.

(2) The amounts in this column reflect the cost the Company incurred in connection with providing Mr. Nuti with occasional overnight hotel accommodations near the New York City office that were not in connection with Board meetings or monthly executive staff meetings.

(3) The amounts in this column reflect payments made by the Company for the Company-provided car and driver Mr. Nuti is required by the company to use for security purposes and a monthly car allowance provided to Mr. Bayer.

(4) The amount in this column reflects expenses paid on Mr. Bayer s behalf in connection with his expected relocation. Mr. Bayer is paid in Euros, which were converted to U.S. dollars for reporting purposes using the 2014 year-end exchange rate of 1.219 USD/EUR.

(5) The amounts in this column reflect the maximum amount of $5,000 that is available to be paid on behalf of each Named Executive Officer to receive medical diagnostic services at a designated medical facility under the Executive Medical Exam Program. Although not all of the Named Executive Officers may use their entire allowance each year, due to privacy considerations associated with the receipt of medical services, the Company has elected to disclose the maximum benefit available to each executive, rather than the amounts actually used by each individual.

(6) The amounts in this column reflect the payment made by the Company to each Named Executive Officer for financial planning assistance as part of the Company s Financial Planning Allowance Program.

Agreements with our Named Executive Officers

Our Named Executive Officers are covered by letter agreements with the Company that set forth, among other things, each Named Executive Officer s initial base salary, initial bonus opportunities, entitlement to participate in the Company s benefit plans and initial equity awards. As described in the *Compensation Discussion and Analysis*, changes to the Named Executive Officer s compensation may be made from time to time. The letter agreements are generally not updated to reflect these changes.

The Company entered into a letter agreement dated as of July 29, 2005 with Mr. Nuti when he became the Company s President and Chief Executive Officer. The letter agreement, which was amended July 26, 2006, and December 18, 2008, sets forth, among other things, Mr. Nuti s initial base salary, initial incentive and equity award opportunities, and the entitlement to participate in the Company s benefit plans. The letter agreement also provides that in the event of termination of employment for any reason, Mr. Nuti is subject to an eighteen-month non-competition and non-solicitation provision, and a confidentiality provision. The terms of the arrangement, which were determined through the negotiation process, provide that in the event we terminate his employment (other than for cause) or if he were to voluntarily terminate employment for good reason, he would receive the payments and benefits listed below. The severance-related compensation and benefits listed below to be provided pursuant to the terms of the letter agreement are conditioned upon Mr. Nuti s execution of a release of claims against the Company and compliance with the restrictive covenants described above:

- A payment equal to 150 percent of his annual base salary;
- A payment equal to 150 percent of his targeted bonus opportunity under the Management Incentive Plan;
- A payment equal to a pro rata portion of the applicable award payout under the Management Incentive Plan for the year in which the severance occurs; and
- Medical benefits for him and his dependents, equal to the level he received during his employment, for a period of 18 months.

For purposes of the letter agreement with Mr. Nuti, the terms cause and good reason are defined by reference to the Change in Control Severance Plan, as described on page 57 of this proxy statement, except that the following additional items constitute good reason for Mr. Nuti to terminate his employment: (i) a reduction in his job title; (ii) a material adverse change in his position, office or duties (including removal or non-re-election to the Board); or (iii) a material breach of his letter agreement by the Company. In the event Mr. Nuti s employment was terminated in connection with a change in control, he would receive payments and benefits under the Change in Control Severance Plan described on page 57 of this proxy statement, and not under the letter agreement. Further, if the Executive Severance Plan described on page 59 of this proxy statement provides greater benefits to Mr. Nuti in the event of his termination without cause not connected to a change of control, he would receive benefits under the Executive Severance Plan, and not under the letter agreement.

We entered into a letter agreement dated March 17, 2010 with Mr. Fishman in connection with his offer of employment as Senior Vice President and Chief Financial Officer. The letter agreement sets forth, among other things, Mr. Fishman s initial base salary, initial bonus opportunities, entitlement to participate in the Company s benefit plans and initial equity award. This letter agreement also provides that in the event of a termination of employment for any reason, Mr. Fishman is subject to a twelve-month non-competition and non-solicitation provision, and a confidentiality provision. We have not entered into any subsequent letter agreements with Mr. Fishman to reflect changes in his compensation or his position in the Company.

We entered into a letter agreement dated July 11, 2011 with Mr. Heyman in connection with his promotion to Senior Vice President and General Manager Hospitality. The letter agreement sets forth, among other things, Mr. Heyman s initial base salary, initial bonus opportunities, entitlement to participate in the Company s benefit plans and initial equity award. This letter agreement also provides that Mr. Heyman is subject to a twenty-four month non-competition and non-solicitation provision, and a confidentiality provision. We have not entered into any subsequent letter agreements with Mr. Heyman to reflect changes in his compensation or his position in the Company.

We entered into a letter agreement dated May 1, 2014 with Mr. Marquardt in connection with his promotion to Executive Vice President, Services, Hardware Solutions & Enterprise Quality. The letter agreement sets forth, among other things, Mr. Marquardt s base salary, bonus opportunities, entitlement to participate in the Company s benefit plans and a promotional equity award.

We entered into letter agreements in July 2014 with Mr. Bayer in connection with his promotion to Senior Vice President and President, Retail Solutions Division. The letter agreement sets forth, among other things, Mr. Bayer s initial base salary, initial bonus opportunities, entitlement to participate in the Company s benefit plans and initial equity award. We have not entered into any subsequent letter agreements with Mr. Bayer to reflect changes in his compensation or his position in the Company.

We entered into a letter agreement dated October 27, 2008 with Mr. Bruno in connection with his offer of employment as Executive Vice President. The letter agreement sets forth, among other things, Mr. Bruno s initial base salary, initial bonus opportunities, entitlement to participate in the Company s benefit plans and initial equity award. The letter agreement also provides that in the event of a termination of employment for any reason, Mr. Bruno is subject to a twelve-month non-competition and non-solicitation provision, and a confidentiality provision. We have not entered into any subsequent letter agreements with Mr. Bruno to reflect changes in his compensation or his position in the Company.

Grants of Plan-Based Awards Table

The table that follows this discussion shows both non-equity and equity incentive plan awards granted during 2014 by the Committee to each of the Company s Named Executive Officers. Non-equity awards were made pursuant to the Company s Management Incentive Plan and Economic Profit Plan. Equity awards prior to May 1, 2013 were made under the NCR Corporation 2011 Amended and Restated Stock Incentive Plan. Awards since May 1, 2013 have been made under the NCR Corporation 2013 Stock Incentive Plan. Each of these plans and associated awards are described in the *Compensation Discussion and Analysis*.

Grants of Plan-Based Awards for 2014