NCR CORP
Form PRE 14A
February 29, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨
Check the appropriate box:

x Preliminary Proxy Statement

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

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

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 transaction applies:

(2)

Aggregate number of securities to which transaction applies:

(3)

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

(4)

Proposed maximum aggregate value of transaction:

(5)

Total fee paid:

¨ Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

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NOTICE OF 2016 ANNUAL MEETING

AND PROXY STATEMENT

March 10, 2016

Dear Fellow NCR Stockholder:

I am pleased to invite you to attend the 2016 Annual Meeting of Stockholders (the Annual Meeting) for NCR Corporation, a Maryland corporation (NCR or the Company), that will be held on April 20, 2016, at 9:00 a.m. Eastern Time. This year s Annual Meeting will again be a virtual meeting of stockholders. You will be able to attend the Annual Meeting and 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 authorize a proxy to vote your shares 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 of the Company operates and provide information about our director candidates, director and executive officer compensation and certain 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 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 a proxy to vote your shares as soon as possible. You may authorize a proxy to vote your shares on the Internet or by telephone, or, if you received the proxy materials by mail, you may also authorize a proxy to vote your shares by mail. Your vote will ensure your representation at the Annual Meeting regardless of whether you attend via webcast on April 20, 2016.

Sincerely,

William R. Nuti

Chairman of the Board

Chief Executive Officer and President

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS OF NCR CORPORATION

Time:

9:00 a.m. Eastern Time

Date:

Wednesday, April 20, 2016

Place:

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

Purpose:

The holders of shares of common stock, par value $0.01 per share (the common stock), and shares of Series A Convertible Preferred Stock, liquidation preference $1,000 per share (the Series A Convertible Preferred Stock), of NCR Corporation, a Maryland corporation (NCR or the Company) will, voting together as a single class, be asked to:

Consider and vote upon the election of two Class B directors identified in this proxy statement to hold office until the third annual meeting of stockholders following their election and until their respective successors are duly elected and qualify;

Consider and vote to approve, on an advisory basis, executive compensation (Say On Pay) as described in these proxy materials;

Consider and vote upon a directors proposal to approve the amendment and restatement of the NCR Employee Stock Purchase Plan;

Consider and vote upon the ratification of the appointment of PricewaterhouseCoopers LLC (PricewaterhouseCoopers) as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2016;

Consider and vote upon a directors proposal to amend and restate 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 2017 Annual Meeting of Stockholders;

Consider and vote upon a stockholder proposal described in these proxy materials; and

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

The holders of the Series A Convertible Preferred Stock will, voting as a separate class, be asked to:

Consider and vote upon the election of one Class B director identified in this proxy statement to hold office until the third annual meeting of stockholders following his election and one Class C Director to hold office until the next annual meeting of stockholders, and until their respective successors are duly elected and qualify.

Other Important Information:

Record holders of NCR s common stock and Series A Convertible Preferred Stock at the close of business on February 17, 2016 may vote at the meeting.

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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 of Directors will be in attendance at this location. If you wish to view the meeting via webcast at Venable LLP s office, please follow the directions for doing so set forth on the 2016 Annual Meeting of Stockholders Reservation Request Form in this proxy statement.

By order of the Board of Directors,

Edward Gallagher

Senior Vice President, General Counsel and Secretary

March 10, 2016

Important Notice Regarding the Availability of Proxy Materials for the

Stockholder Meeting to Be Held on April 20, 2016

This proxy statement and NCR s 2015 Annual Report on Form 10-K are available at www.proxyvote.com.

NCR Corporation

3097 Satellite Boulevard

Duluth, Georgia 30096

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NCR CORPORATION
2016 ANNUAL MEETING PROXY STATEMENT

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Proxy Statement General Information

What is the purpose of these proxy materials?

We are making this proxy statement, notice of annual meeting and our 2015 annual report available to stockholders beginning on or about March 10, 2016 in connection with the solicitation by the Board of Directors (the Board) of NCR Corporation, a Maryland corporation (NCR, the Company, we or us), of proxies for the 2016 Annual Meeting Stockholders, and any adjournments or postponements thereof (the Annual Meeting), to be held via a live webcast at 9:00 a.m. Eastern Time, on April 20, 2016, for the purposes set forth in these proxy materials.

How do I attend the Annual Meeting?

The Annual Meeting will be a virtual meeting of stockholders. If you are a record stockholder, a proxy for a record stockholder or a beneficial owner of either (i) NCR s common stock, par value $0.01 per share (the common stock), or (ii) NCR s Series A Convertible Preferred Stock, liquidation preference $1,000 per share (the Series A Convertible Preferred Stock), in either case with evidence of ownership, you will be able to attend the Annual Meeting and 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 20, 2016.

If you wish to watch the webcast at a location provided by the Company, our 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 and return the Reservation Request Form found at the end of this proxy statement.

How do I access the proxy materials?

We are providing access to our proxy materials (including this proxy statement, together with a notice of meeting and our 2015 annual report) over the Internet pursuant to rules adopted by the Securities and Exchange Commission (SEC). Beginning on or about March 10, 2016 we will send a Notice of Internet Availability of Proxy Materials (the Notice) by mail to stockholders entitled to vote at the Annual Meeting. The Notice includes instructions on how to view the electronic proxy materials on the Internet, which will be available to all stockholders beginning on or about March 10, 2016. The Notice also includes instructions on how to elect to receive 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, and will continue to do so until you terminate your election. We encourage you to take advantage of the availability of our proxy materials on the Internet.

Will I receive a printed copy of the proxy materials?

You will not receive a printed copy of the proxy materials unless you specifically request one. The Notice includes instructions on how to request a printed copy of the proxy materials, including the proxy card for the Annual Meeting if you are a record holder, or a voting instruction form if you are a beneficial owner, at no cost to you. In addition, by following the instructions on the Notice, you can elect to receive future proxy materials in printed form by mail. If you choose to receive future proxy materials in printed form by mail, we will continue to send you printed materials pursuant to that election until you notify us otherwise.

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What does it mean if I receive more

than one Notice?

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, Attn: Investor Relations, 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.

What am I being asked to vote on?

The holders of shares of common stock and shares of Series A Convertible Preferred Stock, voting together as a single class, are being asked to consider and vote on the following items:

Election of two Class B directors to hold office until the third annual meeting of stockholders following their election and until their respective successors are duly elected and qualify;

An advisory vote to approve executive compensation (Say on Pay), as described in these proxy materials;

A directors proposal to approve the amendment and restatement of the NCR Employee Stock Purchase Plan;
Ratification of the appointment of PricewaterhouseCoopers LLC (PricewaterhouseCoopers) as our independent registered public accounting firm for the fiscal year ending December 31, 2016;

A directors proposal to amend and restate our charter to eliminate the classification of the Board and provide for the annual election of all directors at or after the Company s 2017 Annual Meeting of Stockholders; and

A stockholder proposal described in these proxy materials.

The holders of the Series A Convertible Preferred Stock, voting as a separate class, will consider and vote on the election of one Class B director to hold office until the third annual meeting of stockholders following his election and one Class C director to hold office until the next annual meeting of stockholders, and until their respective successors are duly elected and qualify.

Why are the common stockholders

being asked to vote on the election

of only two Class B Directors?

Our outstanding shares of Series A Convertible Preferred Stock were issued to certain entities affiliated with Blackstone Capital Partners VI L.P. and Blackstone Tactical Opportunities L.L.C. (collectively, Blackstone) under an Investment Agreement dated November 11, 2015 (the Investment Agreement). The Investment Agreement and the terms of the Series A Convertible Preferred Stock entitle Blackstone to separately designate two nominees for election as a director, whom the Board shall include in its nominees for election, and to vote as a class on those nominees at the Annual Meeting. Only holders of the Series A Convertible Preferred Stock have the right to vote for either of these nominees. Blackstone has designated Mr. Chinh E. Chu as its

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designee to be nominated by the Board as a Class B director to hold office until the third annual meeting of stockholders following his election, and Mr. Gregory R. Blank as its designee to be nominated by the Board as a Class C director to hold office until the next annual meeting of stockholders following his election, and the holders of Series A Convertible Preferred Stock will vote separately, as a class, on the election of Messrs. Chu and Blank at the Annual Meeting.

The holders of shares of common stock and shares of Series A Convertible Preferred Stock, voting together as a single class, are being asked to vote on two of the three Class B director nominees to hold office until the third annual meeting of stockholders following their election: Edward Pete Boykin and Linda Fayne Levinson.

How does the Board recommend that I vote my shares?

The Board recommends a vote:

- FOR the election of each of the three Class B director nominees and the one Class C director nominee;
- FOR the advisory vote to approve executive compensation (Say On Pay) as described in these proxy materials;
- FOR the directors proposal to approve the amendment and restatement of the NCR Employee Stock Purchase Plan;
- FOR ratification of the appointment of PricewaterhouseCoopers as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2016;
- FOR the directors proposal to amend and restate our charter to eliminate the classification of the Board and provide for the annual election of all directors at or after the Company s 2017 Annual Meeting of Stockholders; and
- AGAINST the stockholder proposal described in these proxy materials.

Who is entitled to vote at the meeting?

Record holders of our common stock and/or Series A Convertible Preferred Stock at the close of business on the record date for the Annual Meeting, February 17, 2016, are entitled to vote at the Annual Meeting.

How many votes do I have?

Each record holder of common stock will have one vote for each share of common stock on each matter that is properly brought before the Annual Meeting and on which holders of common stock are entitled to vote. There were 133,108,758 shares of common stock outstanding on the record date.

Each record holder of Series A Convertible Preferred Stock will have a number of votes equal to the largest number of whole shares of common stock into which such shares are convertible on the record date on each matter that is properly brought before the Annual Meeting and on which holders of Series A Convertible Preferred Stock are entitled to vote together with common stock as a single class. As of the record date, there were 820,000 shares of Series A Convertible Preferred Stock outstanding, which, as of such date were convertible into 27,330,600 shares of common stock.

Are there any requirements on how

the holders of Series A Convertible Preferred Stock must vote?

Under the Investment Agreement, at the Annual Meeting the holders of the Series A Convertible Preferred Stock are required to vote in favor of each of the two director nominees who are also being voted on by holders of common stock, for ratification of the appointment of PricewaterhouseCoopers as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2016 and in favor of the advisory vote to approve executive compensation (Say On Pay), as described in these proxy materials. The holders of the

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Series A Convertible Preferred Stock are entitled to vote in their discretion on the other proposals described in this proxy statement.

How do I vote my 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 if your shares are represented by proxy. Even if you plan to attend the Annual Meeting, we urge you to authorize a proxy to vote your shares in advance.

You can authorize a proxy to vote your shares electronically by going to www.proxyvote.com, 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 a proxy to vote your shares 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 19, 2016.

Your shares will be voted at the Annual Meeting as directed by your electronic proxy, the instructions on your proxy card or voting instructions if (i) you are entitled to vote; (ii) your proxy was properly executed or properly authorized electronically; (iii) we received your proxy prior to the Annual Meeting; and (iv) you did not revoke your proxy prior to or at the Annual Meeting. The method by which you vote and authorize a proxy to vote your shares will in no way limit your right to attend and vote at the Annual Meeting if you later decide to do so.

Please note that if you hold your shares through a bank, broker or other nominee (*i.e.*, in street name), 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 bank, broker or other nominee to vote these shares. Also, if you hold your shares in street name, you must obtain a proxy executed in your favor from

your bank, broker or nominee to be able to vote in person at the Annual Meeting.

How do I vote 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, any proxy you authorize will also have the authority to vote 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 mail.

If I authorized a proxy, can I revoke it

and change my vote?

Yes, you may revoke your proxy at any time before it is exercised at the Annual Meeting by:

- authorizing a new proxy on the Internet or by telephone;
- properly executing and delivering a later-dated proxy card;
- voting by ballot at the Annual 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 19, 2016.

Only the most recent proxy will be counted and all others will be disregarded regardless of the method by which the proxy was authorized. If shares of NCR s voting securities are held on your behalf by a broker, bank or other nominee, you must contact it to receive instructions as to how you may revoke your proxy instructions.

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What constitutes a quorum at the

Annual Meeting?

The presence at the Annual Meeting (in person via attendance at the Annual Meeting or by proxy) of stockholders entitled to cast a majority of all the votes entitled to be cast at the Annual Meeting constitutes a quorum.

What vote is required to approve

each proposal?

A majority of all the votes cast by holders of our common stock and Series A Convertible Preferred Stock voting together as a single class (in person via attendance at the Annual Meeting or by proxy) is required to elect Edward Pete Boykin and Linda Fayne Levinson (two of the three Class B director nominees), to approve the Say on Pay proposal, to approve the amendment and restatement of the NCR Employee Stock Purchase Plan, to ratify the appointment of our independent registered public accounting firm, and to approve the stockholder proposal described in this proxy statement. Pursuant to the Company s charter and bylaws, as given effect under Maryland law, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the votes for any of the proposals described above, except that under the rules of the New York Stock Exchange (NYSE) abstentions will be counted as votes against the proposal to approve the amendment and restatement of the NCR Employee Stock Purchase Plan.

The affirmative vote of at least 80% of the voting power of all shares of the outstanding stock of the Company entitled to vote generally in the election of directors (currently, our common stock and our Series A Convertible Preferred Stock, voting together as a single class), is required to approve the directors proposal to amend and restate the Company s charter to eliminate the classification of the Board and provide for annual election of all directors elected at or after the Company s 2017 Annual Meeting of Stockholders. Pursuant to the

Company s charter and bylaws, as given effect under Maryland law, abstentions and broker non-votes will have the effect of votes against the proposal to amend and restate the Company s charter.

The vote of the holders of a majority of the outstanding shares of our Series A Convertible Preferred Stock, voting separately as a class, is required to elect Mr. Chinh E. Chu, a Class B director nominee, and Mr. Gregory R. Blank, the Class C director nominee. Only the holders of the Series A Convertible Preferred Stock have the right to vote on the election of Mr. Chu and Mr. Blank. Pursuant to the Company s charter and bylaws, as given effect under Maryland law, abstentions by holders of Series A Convertible Preferred Stock will have the effect of a vote against these two directors.

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 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 Say on Pay proposal, the amendment and restatement of the NCR Employee Stock Purchase Plan, the directors proposal to amend and restate the Company s charter to eliminate the classification of the Board and provide for annual election of all directors elected at or after the Company s 2017 Annual Meeting of Stockholders or the stockholder proposal.

When will you publish the results of the meeting?

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 Annual Meeting.

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NCR Stock Ownership

Officers and Directors

The following table reflects the NCR common stock beneficially owned, as determined under applicable SEC rules, as of the close of business on February 17, 2016 (the Table Date) by: (i) each executive officer named in the Summary Compensation Table below on page 62 (the named executives), (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, 133,108,758 shares of the Company s common stock were issued and outstanding.

NCR Stock Ownership By Officers and Directors

Beneficial Owners	Total Shares Beneficially Owned[(1)(2)]	Percent	Number of Shares Subject to Options Exercisable Within 60 Days of February 17, 2016	Number of RSUs That Vest Within 60 Days of February 17, 2016[(3)]
Non-Employee Directors				
Gregory R. Blank, Director[(4)]				
Edward Pete Boykin, Director	202,345	*	68,143	
Chinh E. Chu, Independent Lead Director[(5)]	678	*		678
Richard L. Clemmer, Director	141,899	*	61,167	
Gary J. Daichendt, Director	139,000	*	68,143	
Robert P. DeRodes, Director	129,835	*	61,167	
Kurt P. Kuehn, Director	33,639	*	10,039	
Linda Fayne Levinson, Director	182,659	*	68,143	
Deanna W. Oppenheimer, Director	28,611	*	6,849	
Named Executive Officers				
William R. Nuti, Director and Officer	464,093	*	63,552	68,938
Robert P. Fishman, Officer	29,835	*		9,128
Andrew S. Heyman, Officer	19,833	*		11,176
Frederick J. Marquardt, Officer	87,562	*	20,312	9,310
Michael B. Bayer, Officer	5,169	*		4,180
Current Directors, Named Executive Officers and remaining Executive Officers as a Group (16 persons)	1,643,990	1.2%	518,797	113,049

* Less than 1%.

(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 that vest more than 60 days after the Table Date which, in the case of our named executives, is as follows: Mr. Nuti 535,918; Mr. Fishman 74,503; Mr. Heyman 97,066; Mr. Marquardt 89,148; and Mr. Bayer 79,023.

(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 up to the nearest whole number. This column also includes 105,912 shares granted to Mr. Boykin; 75,732 shares granted to Mr. Clemmer; 31,891 shares granted to Mr. DeRodes; 21,720 shares granted to Mr. Kuehn; 8,077 shares granted to Ms. Levinson; and 16,077 shares granted to Ms. Oppenheimer.

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(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) Because Mr. Blank did not become a member of the NCR Board until December 4, 2015, he did not receive any restricted stock units in 2015 under the NCR Director Compensation Program. Mr. Blank will not receive any units or shares under the Program in 2016 or later because he disclaimed all interest in NCR director compensation payable in 2016 and future years. While Mr. Blank is an officer of an affiliate of Blackstone, he disclaims beneficial ownership of, and the shares reported in the Table exclude, NCR securities beneficially owned by the Blackstone Entities.

(5) Because Mr. Chu did not become a member of the NCR Board until December 4, 2015, he did not receive any restricted stock units in 2015 under the NCR Director Compensation Program. On January 1, 2016, Mr. Chu received a mid-year prorated equity grant under the Program of 2,712 restricted stock units valued at $33,643. This grant vests in four equal quarterly installments beginning three months after the grant date. While Mr. Chu is a senior advisor to an affiliate of Blackstone, he disclaims beneficial ownership of, and the shares reported in the table exclude, NCR securities beneficially owned by the Blackstone Entities.

Other Beneficial Owners

To the Company s knowledge, and as reported as of the close of business on February 16, 2016 (except as otherwise specified), the following stockholders beneficially own more than 5% of the Company s outstanding stock.

Other Beneficial Owners of NCR Stock

	Common Stock		Series A Convertible Preferred Stock	
Name and Address of Beneficial Owner	Total Number of Shares	Percent of Class	Total Number of Shares	Percent of Class
Entities affiliated with The Blackstone Group[1] 345 Park Avenue New York, NY 10154			820,000	100%
The Vanguard Group[2] 100 Vanguard Boulevard Malvern, PA 19355	10,516,048	7.93%		
BlackRock Inc.[3] 55 East 52nd Street New York, NY 10022	10,210,582	6.0%		

(1) Information is based on a Schedule 13D filed with the SEC on December 11, 2015 by Blackstone BCP VI SBS ESC Holdco L.P. (BCP VI ESC), Blackstone NCR Holdco L.P. (BCP VI NCR), BTO NCR Holdings ESC L.P. (BTO NCR ESC), BTO NCR Holdings L.P. (BTO NCR Holdings, and together with BCP VI ESC, BCP VI NCR and BTO NCR ESC, the Blackstone Purchasers), Blackstone NCR Holdco GP L.L.C. (Blackstone NCR Holdco), BCP VI Side-By-Side GP L.L.C. (BCP VI Side-By-Side), Blackstone Management Associates VI L.L.C. (Blackstone Management Associates), BMA VI L.L.C. (BMA VI), BTO Holdings Manager L.L.C. (BTO Holdings Manager),

Blackstone Tactical Opportunities Associates L.L.C. (Blackstone Tactical Opportunities), BTOA L.L.C. (BTOA), Blackstone Holdings III L.P. (Blackstone Holdings III), Blackstone Holdings III GP L.P. (Blackstone Holdings III GP), Blackstone Holdings III GP Management L.L.C. (Blackstone Holdings III GP Management), The Blackstone Group L.P. (The Blackstone Group), and Blackstone Group Management L.L.C. (Blackstone Group Management) (collectively, the Blackstone Entities), and Steven A. Schwarzman, reporting beneficial ownership of 820,000 shares of the Company s Series A Convertible Preferred Stock.

In this filing, BVP VI NCR reported ownership of 610,866 shares of Series A Convertible Preferred Stock, BCP VI ESC reported ownership of 1,213 shares of Series A Convertible Preferred Stock, BTO NCR ESC reported ownership of 726 shares of Series A Convertible Preferred Stock, and BTO NCR Holdings reported ownership of 207,195 shares of Series A Convertible Preferred Stock.

Blackstone NCR Holdco is the general partner of BCP VI NCR. Blackstone Management Associates is the managing member of Blackstone NCR Holdco. BMA VI is the sole member of Blackstone Management Associates. Blackstone Holdings III is the managing member of BMA VI. BCP VI Side-by-Side is the general partner of BCP VI ESC. Blackstone Holdings III is the sole member of BCP VI Side-by-Side. BTO Holdings Manager is the general partner of BTO NCR ESC and BTO NCR Holdings. Blackstone Tactical Opportunities is the managing member of BTO Holdings Manager. BTOA is the sole member of Blackstone Tactical Opportunities. Blackstone Holdings III is the managing member of BTOA. Blackstone Holdings III GP is the general partner of Blackstone Holdings III. Blackstone Holdings III GP Management is the general partner of Blackstone Holdings III GP. The Blackstone Group is the sole member of Blackstone Holdings III GP Management. Blackstone Group Management is the general partner of The Blackstone Group. Blackstone Group Management is wholly-owned by Blackstone s senior managing directors and controlled by its founder, Stephen A. Schwarzman. Each of the foregoing (other than the Blackstone Purchasers to the extent of their respective direct holdings) may be deemed to beneficially own the shares beneficially owned by the Blackstone Purchasers directly or indirectly controlled by it or him, but each disclaims beneficial ownership of such shares.

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As of December 31, 2015, the shares of Series A Convertible Preferred Stock held by the Blackstone Purchasers were convertible into 27,330,600 shares of common stock.

(2) Information, including ownership percentage, is based on a Schedule 13G/A filed with the SEC on February 10, 2016 by The Vanguard Group (Vanguard Group), reporting beneficial ownership of 10,516,048 shares of the Company s stock as of December 31, 2015. In this filing, Vanguard Group reported sole dispositive power with respect to 10,413,412 of such shares, sole voting power with respect to 103,703 of such shares, shared dispositive power with respect to 102,636 of such shares and shared voting power with respect to 8,900 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 93,736 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 18,867 of such shares as a result of serving as investment manager of certain Australian investment offerings.

(3) Information, including ownership percentage, is based on a Schedule 13G/A filed with the SEC on January 27, 2016 by BlackRock, Inc. (BlackRock), reporting beneficial ownership of 10,210,582 shares of the Company s stock as of December 31, 2015, as a parent holding company or control person for its subsidiaries, BlackRock (Luxembourg) S.A., BlackRock Advisors (UK) Limited, BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Asset Management North Asia Limited, BlackRock Asset Management Schweiz AG, BlackRock Financial Management, Inc., 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, BlackRock Life Limited and Xulu, Inc. In this filing, BlackRock reported sole voting power with respect to 9,446,054 of such shares, and sole dispositive power with respect to all 10,210,582 of such shares.

Election of Two Class B Directors

FOR **The Board of Directors recommends that you vote FOR Edward Pete Boykin and Linda Fayne Levinson as Class B Directors.**

Proposal Details

The NCR Board is currently divided into three classes. Directors hold office for staggered terms ending at the third annual meeting of stockholders following their election (or sooner if they are filling a vacancy) and until their successors are duly elected and qualify. One of the three classes is elected at each annual meeting 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 2018, 2016, and 2017, respectively.

Subject to approval of Proposal 5, commencing with NCR s 2017 Annual Meeting of Stockholders, the Board will be declassified and all directors will be elected annually to serve until the next annual meeting of stockholders following their election, except that directors elected prior to NCR s 2017 Annual Meeting of Stockholders (including those directors elected under this Proposal 1) will continue to serve the balance of their existing terms. If Proposal 5 is not approved, the Board will remain classified and directors will continue to be elected for staggered terms ending at the third annual meeting of stockholders following their election.

Proxies solicited by the Board will be exercised for the election of each of the nominees, unless you elect to 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.

In connection with the Annual Meeting, the holders of Series A Convertible Preferred Stock will vote on one additional Class B director nominee to hold office until the third annual meeting of stockholders following his election, and one Class C director nominee to hold office until the next annual meeting of stockholders following his election. The nominees, Chinh E. Chu (Class B) and Gregory R. Blank (Class C), are current Board members who are designated by Blackstone under the terms of the Investment Agreement. The holders of Series A Convertible Preferred Stock will vote separately, as a class, on the election of these directors. Only the holders of Series A Convertible Preferred Stock have the right to vote on the election of Mr. Chu and Mr. Blank.

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 for each director is as of the filing date of this proxy statement.

Directors to Be Elected by Holders of Common Stock and Series A Convertible Preferred Stock, Voting Together as a Single Class

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Class B Current Term Expiring in 2016 and New Term Expiring in 2019

Edward Pete Boykin, 77, was Chair of the Board of Directors of Capital TEN Acquisition Corp., a special purpose acquisition company, from October 2007 to May 2008. He served as President and Chief Operating Officer of Computer Sciences Corporation (CSC), an information technology services company he joined in 1966, from July 2001 to June 2003. Mr. Boykin is also a director of Teradata Corporation. Mr. Boykin became a director of NCR on June 5, 2002 and was appointed independent Lead Director effective July 25, 2013 and continued to serve in that role through February 22, 2016. 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.

Linda Fayne Levinson, 74, 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 Board on October 1, 2007 and continued to serve in that role through July 24, 2013. Ms. Levinson is also on the U.S. advisory board of CVC Capital Partners. 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.

Directors to Be Elected Separately by Holders of Series A Convertible Preferred Stock

Class B Current Term Expiring in 2016 and New Term Expiring in 2019

Chinh E. Chu, 49, was a Senior Managing Director of Blackstone in the Corporate Private Equity Group from January 2000 to November 2015, and currently acts as a senior advisor to Blackstone. Before joining Blackstone in 1990, Mr. Chu worked at Salomon Brothers in the Mergers & Acquisitions Department. Mr. Chu led Blackstone s investments in AlliedBarton, Celanese, Graham Packaging, Interstate Hotels, Kronos, LIFFE, Nalco, Nycomed, and Stiefel Laboratories. Mr. Chu graduated with a bachelor s degree in finance from the University of Buffalo. He currently serves as a director of Biomet, Inc., Freescale Semiconductor, Inc., HealthMarkets Inc., and Kronos Incorporated. Mr. Chu became a director of NCR on December 4, 2015 and was appointed independent Lead Director effective February 22, 2016. Pursuant to the Investment Agreement, the Company agreed to nominate Mr. Chu for election as a Class B director

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at the Annual Meeting. Additionally, only the holders of the Series A Convertible Preferred Stock may vote on the election of Mr. Chu as a Class B director at the Annual Meeting. In making its nomination the Committee on Directors and Governance considered Mr. Chu s independence, his experience as a director of other public and private companies and his extensive experience evaluating and managing acquisitions and investments in multiple industries in concluding that his abilities would meet the needs of the Board.

Class C Current Term Expiring in 2016 and New Term Expiring in 2017

Gregory R. Blank, 35, is a Managing Director of Blackstone in the Private Equity Group based in New York where he focuses on investments in the technology, media and telecommunications sectors. Since joining Blackstone in 2009, Mr. Blank has been involved in the execution of many of Blackstone s investments, including most recently in Kronos, Ipreo and Optiv. Prior to joining Blackstone, Mr. Blank was an associate at Texas Pacific Group (TPG) in San Francisco where he was involved in the evaluation and execution of private equity transactions. Before joining TPG, Mr. Blank worked in investment banking at Goldman, Sachs & Co. focused on technology, media and telecommunications clients. Mr. Blank graduated with a bachelor s degree in economics from Harvard College and received an MBA from the Harvard Business School. He currently serves as a director of Ipreo, Kronos, Optiv, Travelport Worldwide Limited and The Weather Company. Mr. Blank became a director of NCR on December 4, 2015. Pursuant to the Investment Agreement, the Company agreed to nominate Mr. Blank for election as a Class C director at its 2016 annual meeting of stockholders. Additionally, only the holders of the Series A Convertible Preferred Stock may vote on the election of Mr. Blank as a Class C director at the Annual Meeting. In making its nomination the Committee on Directors and Governance considered Mr. Blank s independence, his experience as a director of other public and private companies, his experience evaluating and managing acquisitions and investments in the technology and telecommunications industries, his service on Travelport s Audit committee, and his financial literacy, in concluding that his abilities would meet the needs of the Board.

Directors Whose Terms of Office Continue

The following directors will hold office as disclosed below.

Class A Current Term Expiring in 2018

William R. Nuti, 52, 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 of 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

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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.

Gary J. Daichendt, 64, 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 Polycom Inc., where he serves on the Governance committee and Juniper Networks, Inc., where he is a member of its Compensation 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.

Robert P. DeRodes, 65, leads DeRodes Enterprises, LLC, an information technology, business operations and management advisory firm. Most recently, Mr. DeRodes served from April 2014 to April 2015 as the Executive Vice President and Chief Information Officer for Target, Inc., a general merchandising retailer, leading their post-breach information security efforts and developing a long-term technology transformation roadmap. Previously, 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 (1995-99) and with USAA (1983-93). During the 10 years prior to 1983, Mr. DeRodes held technology positions working for regional Midwestern banks. 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, cyber-security expertise, 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.

Class C Current Term Expiring in 2017

Richard L. Clemmer, 64, is President and Chief Executive Officer of NXP Semiconductors N.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

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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 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.

Kurt P. Kuehn, 61, was Chief Financial Officer at United Parcel Service, Inc. (UPS), a global leader in logistics, from 2008 until July 2015. 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 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.

On February 24, 2016, Deanna W. Oppenheimer, a Class B director, resigned from her positions as a member of the Board and as a member of the Audit Committee of the Board, effective as of the completion of the Annual Meeting. As a result, Ms. Oppenheimer has not been included as a Class B director nominee in these proxy materials.

How does the Board Recommend that I Vote on this Proposal?

Board Recommendation

The Board of Directors recommends that you vote FOR Edward Pete Boykin and Linda Fayne Levinson as Class B directors to hold office until the third annual meeting of stockholders following their election and until their respective successors are duly elected and qualify. Proxies received by the Board will be voted FOR all nominees for which the stockholder may vote unless they specify otherwise.

Vote Required for Approval

A majority of all the votes cast by holders of our common stock and Series A Convertible Preferred Stock, voting together as a single class (in person via attendance at the Annual Meeting or by proxy), is required to elect Edward Pete Boykin and Linda Fayne Levinson (two of the three Class B director nominees). Abstentions and broker non-votes will be counted as votes cast and will have no effect on the vote required to elect either Mr. Boykin or Ms. Levinson.

The vote of the holders of a majority of the outstanding shares of our Series A Convertible Preferred Stock, voting separately as a class, is required to elect Mr. Chinh E. Chu, a Class B director nominee, and Mr. Gregory R. Blank, the Class C director nominee. Only the holders of Series A Convertible Preferred Stock have the right to vote on the election of Mr. Chu and Mr. Blank. Pursuant to the Company s charter and bylaws, as given effect under Maryland law, abstentions by holders of Series A Convertible Preferred Stock will have the effect of votes against these two directors.

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More Information About Our Board of Directors

The Board oversees the overall performance of the Company on behalf of the stockholders of the Company. 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

The Board is elected by the stockholders of the Company (with certain members of the Board being elected solely by the holders of the Series A Convertible Preferred Stock) to direct the management of the Company. The Board selects the senior management team, which is charged with managing the Company s business and affairs. 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 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; director compensation and stock ownership; 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 4 of this proxy statement.

In keeping with the requirements of our Corporate Governance Guidelines and the NYSE listing standards, a majority of our Board must be independent. 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, in addition to those other factors it may deem relevant, whether the director:

- 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;

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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 payments 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 and the NYSE listing standards, 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.

The Board has determined that all of the Company s non-employee directors and nominees, namely Gregory R. Blank, Edward Pete Boykin, Chinh E. Chu, Richard L. Clemmer, Gary J. Daichendt, Robert P. DeRodes, Kurt P. Kuehn, Linda Fayne Levinson 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 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 independent directors of the Board will select a Lead Director from the 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 Board has an integrated leadership structure in which William R. Nuti serves in the combined roles of Chairman and Chief Executive Officer, and Chinh E. Chu serves as the Board s independent Lead Director. The Board believes that this structure promotes greater efficiency through more direct

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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, among other things: 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 that 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 the 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 the 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 currently account for nine out of ten of the Board s members, and make up all of the members of the Board s Compensation and Human Resource Committee (the CHRC 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 eight 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 the 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, 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 members of the Company s Enterprise Risk Management team on an annual basis. In general, the reports identify, analyze, prioritize and provide the status of major risks to the Company. In addition, the CHRC Committee 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 responsibilities (as such responsibilities are defined in its committee charter), including legal and

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regulatory compliance risks. After each committee meeting, the Audit Committee, CHRC 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 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 2015 and early 2016, 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 programs since FWC s 2011 risk assessment were the adoption of the NCR Corporation 2011 Economic Profit Plan (which was amended in 2015 with stockholder approval) and the NCR Executive Severance Plan (including amendments), which the Company and FWC determined did not present an area of significant risk, and the 2016 modifications to our long-term incentive program, which the Company and FWC determined did not present an area of significant risk.

Committees of the Board

The Board 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 met 21 times last year. During 2015, 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). The Company has no formal policy regarding director attendance at its annual meeting of stockholders. The directors then in office, except Mr. Nuti, were not in attendance at the Company s 2015 Annual Meeting of Stockholders, which was a virtual, and not an in-person, meeting.

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The members of each committee as of the end of fiscal 2015 and the number of meetings held in fiscal 2015 are shown below:

Name	Audit Committee	Compensation and Human Resource Committee	Committee on Directors and Governance	Executive Committee
Gregory R. Blank	X(1)			X(1)
Edward Pete Boykin		X	X	X
Chinh E. Chu		X(2)	X(2)	
Richard L. Clemmer	X			
Gary J. Daichendt		X	X*	X
Robert P. DeRodes	X			
Kurt P. Kuehn	X*			
Linda Fayne Levinson		X*	X	X
William R. Nuti				X*
Deanna W. Oppenheimer(3)	X			
Number of meetings in 2015	8	7	5	0

* Chair

(1) Mr. Blank was elected to serve on the Audit and Executive Committee effective December 4, 2015.

(2) Mr. Chu was elected to serve on the Compensation and Human Resource Committee and Committee on Directors and Governance effective December 4, 2015.

(3) On February 24, 2016, Ms. Oppenheimer resigned as a member of the Board and Audit Committee effective as of the completion of the 2016 Annual Meeting.

Audit Committee

The Audit Committee is the principal agent of the Board 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. Blank, 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 fees from the Company, other than the 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 for, the Chief Executive Officer at executive sessions of the Board;

reviews and recommends to the Board 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;

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

periodically assesses the risks 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 retains and is advised by an independent compensation consultant, Frederic W. Cook & Co., Inc. The CHRC Committee has directly engaged FWC to review the Company s long-term incentive program, the Stock Incentive Plan (which we refer to as the Stock Plan), the Annual Incentive Plan (which includes the Management Incentive Plan and Customer Success Bonus), the Economic Profit Plan 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 2015. 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 has determined that each member of the CHRC 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 satisfy the additional provisions 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), 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 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.

Executive Committee

The Executive Committee has the authority to exercise all powers of the full Board, except those reserved to the full Board 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. 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 applicable law. It is a qualification of each of the directors to be elected by the holders of shares of Series A Convertible Preferred Stock that they have been designated by Blackstone pursuant to the Investment Agreement.

The Board s Corporate Governance Guidelines include 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 wish 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 Outside of SEC Rule 14a-8 and Stockholder Proposals for 2017 Annual Meeting pursuant to SEC Rule 14a-8 on page 96 of this proxy statement for further details regarding how to nominate directors.

The directors nominated by the Board for election at the 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 have been determined by the Board to be independent.

Communications with Directors

Stockholders or interested parties wishing to communicate directly with the Board, 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 may also be made by writing to this address. For more information on how to contact the 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, as amended, 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, 2015. 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.

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Director Compensation

Director Compensation Program

Pursuant to authority granted by our Board, the Committee on Directors and Governance adopted the NCR Director Compensation Program (the Program), effective as of April 23, 2013. The Program provides for the payment of annual retainers and annual equity grants to non-employee members of the Board. Mr. Nuti does not receive remuneration for his service as Chairman of the Board.

Annual Retainer

In 2015 each non-employee member of the Board as of the 2015 Annual Meeting date received an annual retainer of $75,000. The independent Lead Director receives an additional annual retainer of $40,000 for service in such role. Mr. Boykin served as the independent Lead Director in 2015. Additionally under the Program, directors receive remuneration for their services as Committee Chairs: Mr. Kuehn received $34,000 as Chair of the Audit Committee; Ms. Levinson received $27,000 as Chair of the Compensation and Human Resource Committee; and Mr. Daichendt received $18,000 as Chair of the Committee on Directors and Governance. Annual retainers are paid in four equal installments on June 30, September 30, December 31, and March 31. The Program also provides for prorated annual cash retainers to directors who join the Board mid-year (*i.e.*, from one annual meeting date to the next). Because Messrs. Blank and Chu did not become NCR directors until December 4, 2015, under the Program terms they did not receive annual retainers in 2015. Effective January 1, 2016, the Board approved a prorated annual cash retainer for Mr. Chu of $35,635, which is payable quarterly. Mr. Blank will not receive a cash retainer because he disclaimed all interest in NCR director compensation payable in 2016 and future years under the Program or otherwise.

In accordance with the Program, each director has the option to receive the annual retainer in the form of cash or common stock, or an equal distribution of each. In the Director Compensation for 2015 Table below, the amounts reported in the first column represent the annual retainer earned by the directors

in 2015 and paid in cash. To the extent a director elected to receive any of the annual retainer in common stock, the grant date fair value of the common stock, as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation Stock Compensation (FASB ASC Topic 718), is reflected in the stock awards column. Before January 1 of each year, directors may elect to defer receipt of the annual retainer until their director service ends.

Annual Equity Grant

The Program provides that, on the date of each annual meeting of NCR s stockholders, each continuing non-employee director is granted restricted stock or restricted stock units (RSUs), the value of which is determined by the Committee on Directors and Governance. In February 2010 the Committee recommended, and the Board agreed, that the value of the annual equity grant for each non-employee director would be $175,000. The Committee and the Board determined that this award value remained appropriate for 2015 based on, among other things, a desire to retain and attract highly qualified and experienced directors, an increased workload for our directors that was expected to, and did, continue into 2015 and will continue into 2016, and a review of competitive board pay practices. Under the Program, on April 22, 2015, the 2015 Annual Meeting date, each continuing non-employee director received an annual restricted stock unit grant valued at $175,000, and Ms. Levinson received an additional restricted stock unit grant valued at $40,000 in connection with her service as a member of the Board of Directors of NCR

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Brasil Indústria de Equipamentos Para Automação S.A. The Program also permits mid-year equity grants, prorated based on service during the applicable Board year, for non-employee directors who join our Board mid-year. Because Messrs. Blank and Chu did not become NCR directors until December 4, 2015, under the Program terms they did not receive annual equity grants in 2015. On January 1, 2016, Mr. Chu received a mid-year prorated equity grant of 2,712 restricted stock units valued at $66,343. Mr. Blank did not receive such a grant because he disclaimed all interest in NCR director compensation as noted above.

Restricted stock units vest in four equal quarterly installments beginning three months after the grant date. Directors may elect to defer shares that otherwise would be received upon vesting of annual equity grants. In 2015, Messrs. Boykin, Clemmer, DeRodes, Kuehn and Ms. Oppenheimer elected to defer receipt of shares from their 2015 annual equity grants until their director service ends.

Director Stock Ownership Guidelines

The Board s Corporate Governance Guidelines include stock ownership guidelines, which operate to promote commonality of interest between non-employee directors and stockholders by encouraging non-employee directors to accumulate a substantial stake in the Company s common stock. The guidelines encourage non-employee directors to accumulate NCR stock ownership equal to four times the amount of his or her annual retainer within three years after election to the Board. For these purposes, ownership includes shares owned outright by the non-employee directors, and interests in restricted stock, restricted stock units or deferred shares, and excludes stock options. As of December 31, 2015, all of our non-employee directors have exceeded these guidelines, except for Messrs. Blank and Chu who did not become Board members until December 4, 2015.

Director Compensation Tables

This Table shows 2015 compensation for our non-employee directors:

Director Compensation for 2015

Director Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)[2]	Total ($)
Gregory R. Blank[3]			
Edward Pete Boykin		309,053	309,053
Chinh E. Chu[3]			
Richard L. Clemmer		265,064	265,064
Gary J. Daichendt	52,000	227,050	279,050
Robert P. DeRodes		265,064	265,064
Kurt P. Kuehn	109,000	175,007	284,007
Linda Fayne Levinson	55,000	270,043	325,043
Richard T. Mick McGuire III[4]	69,462	87,504	156,966
Deanna W. Oppenheimer	90,000	175,007	265,007

(1) This column shows annual retainers earned or paid in cash in 2015. Messrs. Boykin and Clemmer elected to receive their retainers in deferred shares in lieu of cash. Mr. DeRodes elected to receive his entire retainer in current

shares in lieu of cash. Ms. Levinson and Mr. Daichendt elected to receive one-half of their retainers in current shares. These deferred and current shares are reported in the Stock Awards column. Mr. Kuehn, Mr. McGuire and Ms. Oppenheimer elected to receive their retainers in cash.

(2) This column shows the aggregate grant date fair value, as determined in accordance with FASB ASC Topic 718, of RSU awards, as well as deferred shares (also referred to as phantom stock units) and current shares paid in lieu of annual cash retainers. See Note 9 of the Notes to Consolidated Financial Statements contained in the Company s Annual Report on Form 10-K for the year ended December 31, 2015 for an explanation of the assumptions we make in the valuation of our equity awards.

(3) Because they did not become Board members until December 4, 2015, Messrs. Blank and Chu did not receive NCR director compensation under the Program in 2015.

(4) Mr. McGuire resigned from Board service effective November 12, 2015. Upon resignation, Mr. McGuire forfeited the unvested portion of his 2015 annual equity grant and received no further compensation under the Program.

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This Table shows the grant date fair values of shares received for retainer payments and RSU awards:

Value of Director 2015 Retainer and Equity Grant Shares

Director Name	Annual Equity RSU Grant ($)	Current Stock in lieu of cash ($)	Deferred Stock in lieu of cash ($)
Gregory R. Blank(1)			
Edward Pete Boykin	175,007		134,046
Chinh E. Chu(1)			
Richard L. Clemmer	175,007		90,057
Gary J. Daichendt	175,007	52,043	
Robert P. DeRodes	175,007	90,057	
Kurt P. Kuehn	175,007		
Linda Fayne Levinson	215,001	55,042	
Richard T. Mick McGuire III(2)	87,504		
Deanna W. Oppenheimer	175,007		

(1) Because they did not become Board members until December 4, 2015, Messrs. Blank and Chu did not receive NCR director compensation under the Program in 2015.

(2) Mr. McGuire resigned from Board service effective November 12, 2015. Upon resignation, Mr. McGuire forfeited the unvested portion of his 2015 annual equity grant and received no further compensation under the Program.

This Table shows the number of shares underlying non-employee director options, RSUs and deferred shares outstanding as of December 31, 2015:

Shares Underlying Director Equity Awards as of December 31, 2015

Director Name	Options Outstanding as of 12/31/15 #	RSUs Outstanding as of 12/31/15 #	Deferred Shares Outstanding as of 12/31/15 #
Gregory R. Blank(1)			
Edward Pete Boykin	68,143		107,367
Chinh E. Chu(1)			
Richard L. Clemmer	61,167		77,187
Gary J. Daichendt	68,143	2,910	

Robert P. DeRodes	61,167		33,346
Kurt P. Kuehn	10,039		23,175
Linda Fayne Levinson	68,143	3,575	8,077
Deanna W. Oppenheimer	6,849		17,532

(1) Because they did not become Board members until December 4, 2015, Messrs. Blank and Chu did not receive NCR director compensation under the Program in 2015.

Say On Pay: Advisory Vote on the Executive Compensation of the Named Executives

FOR

The Board of Directors recommends that you vote FOR the resolution to approve the compensation of the named executives.

- ü Robust oversight by the Compensation Committee.
- ü Excellent pay for performance alignment.
- ü Strong link between management and stockholder interests.

Proposal Details

We currently conduct a Say On Pay vote every year at the annual meeting. This vote is required by Section 14A of the Securities Exchange Act of 1934. While this vote is non-binding, the Board and the Compensation and Human Resource Committee (the Committee as referenced throughout the various sections of this Proposal 2, including the Executive Compensation Compensation Discussion & Analysis section) value the opinions of our stockholders. The Committee will consider the outcome of the Say On Pay vote as part of its annual evaluation of our executive compensation program.

Please read the following Executive Compensation Compensation Discussion & Analysis section and our Executive Compensation Tables for information necessary to inform your vote on this proposal.

How does the Board Recommend that I Vote on This Proposal?

Board Recommendation

The Board of Directors recommends that you vote to approve, on a non-binding and advisory basis, executive compensation as disclosed in these proxy materials.

Vote Required for Approval

A majority of all the votes cast by holders of our common stock and Series A Convertible Preferred Stock voting together as a single class (in person via attendance at the virtual meeting or by proxy) is required to approve the non-binding advisory vote on executive compensation. Pursuant to the Company s charter and bylaws, as given effect under Maryland law, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the votes for this proposal.

Signed proxies that do not have instructions on how to vote will be voted FOR this proposal.

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Executive Compensation   Compensation Discussion & Analysis

Executive Summary

In 2015 the Committee continued its longstanding practice of linking the total compensation of our named executives to the strategic and financial success of the Company. Our compensation philosophy requires that a significant portion of total compensation for our Named Executive Officers (the named executives) be strongly

aligned with Company 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.

Company 2015 Financial Performance

Delivered Results, Despite Headwinds More Difficult Than Expected.

2015 Financial Highlights*

ü Our Free Cash Flow increased 31% to $409 million, which exceeded our target performance objective of $375 million for our Annual Incentive Plan;
ü Our Non-Pension Operating Income grew by 1% to $830 million; which exceeded our threshold performance objective of $812 million for our Annual Incentive Plan on a constant currency basis;
ü Our revenue was down 3%, but grew 3% on a constant currency basis;
ü Our software-related revenue was flat, but grew 4% on a constant currency basis; and
ü While our one-year total shareholder return of -16.1% and our annualized three-year total shareholder return of -1.4% are disappointing, our annualized five-year total shareholder return of 9.7% exceeds our Peer Group total shareholder return over the same period.

* See Supplementary Non-GAAP Information for a description of non-GAAP measures and reconciliations of those non-GAAP measures to their most directly comparable GAAP measures.

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Our 2015 and 2014 Performance

These charts compare our 2015 performance with our 2014 performance:*

* See Supplementary Non-GAAP Information for a description of non-GAAP measures and reconciliations of those non-GAAP measures to their most directly comparable GAAP measures.

Our Total Stockholder Return

This chart compares our one-year, three-year and five-year total stockholder return with the performance of our 2015 compensation peer group and other relevant major indices:

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Summary of 2015 Compensation Program Actions by our Committee

The Company s 2015 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 2015 and early 2016 to carry out this philosophy include:

2015 Annual Incentive Plan Core Financial Objectives. For our 2015 Annual Incentive Plan, we continued to use Non-Pension Operating Income (NPOI) and Adjusted Free Cash Flow as the Core Financial Objectives under our Management Incentive Plan. Aggressive NPOI and Adjusted Free Cash Flow goals were selected to align management compensation with our key internal strategic measures, and to differentiate the Management Incentive Plan (MIP) financial metrics from the performance metrics under our Long-Term Incentive Program (LTI Program).

2015 Performance-Based Equity Awards. The Committee established aggressive performance goals for the annual 2015 performance-based restricted stock unit (RSU) awards under our Stock Plan. We continued to use Return on Capital (ROC) and Non-Pension Operating Income Minus Capital Charge (NPOICC) as the performance measures for these awards.

2015 Economic Value Added Definition for Economic Profit Plan. In 2015, stockholders approved our request to redefine Economic Profit under our the NCR Corporation Economic Profit Plan (the EPP) using a more traditional economic value added (EVA) approach calculated as Net Operating Profit After Tax (NOPAT), less the product of Total Invested Capital and our Weighted Average Cost of Capital (WACC). The Committee, in consultation with its independent compensation consultant, made this change to better capture the EVA created by the decisions of our named executives.

2015 Equity Award Program Modifications. To better align with market practices and help us attract and retain top talent, we modified the vesting schedule for time-based restricted stock units granted in 2015 to a ratable vesting schedule, with one-third of units vesting on each anniversary of the grant date. Time-based awards granted in 2014 and earlier will continue to vest 100% on the third anniversary of the grant date. Also, to keep our executive team fully focused and rewarded for significant overachievement of our 2015 financial goals and to better align with market practices, we increased the maximum award payable under our 2015 performance-based restricted stock unit awards to 150% of target (up from 125% in prior years).

2015 Executive Severance Plan Amendment. In 2015, the Committee amended our NCR Executive Severance Plan (the Severance Plan) in order to align with competitive market practices and better position the Company to attract and retain executive talent. Under the amended plan, participants are eligible in the event of a qualifying termination to receive a cash lump sum equal to 1x annual base salary plus target annual cash bonus (as defined in the plan).

2016 Annual Incentive Plan Revised Financial Metrics. We evaluated the financial metrics used under our Annual Incentive Plan and revised the 2016 financial metrics to include Non-GAAP Operating Income (including ongoing pension expense) as our Core Financial Objective, and retained Free Cash Flow as a modifier to the payout calculations. This better aligns management s compensation with key strategic measures, and continues to differentiate our Annual Incentive Plan financial metrics from the performance goals used for our LTI Program.

2016 Long-Term Incentive Plan Vision 2020 Awards and Revised Financial Metrics for Traditional Equity Awards. We evaluated our 2016 LTI Program and modified our equity award mix and terms to grant a portion of long-term value as partially front-loaded Vision 2020 Awards with vesting terms tied to achievement of aggressive stock price targets. These awards strongly align management and stockholder interests. They signal a new direction for the Company in pursuit of its recently announced Vision 2020 strategy, and are designed to generate excitement and reinforce a sense of urgency among our key executives for achieving future performance expectations. We granted the remaining portion of 2016 long-term value in a mix of traditional performance-based and time-based restricted stock units. For performance-based units, the Committee approved revised financial metrics including Non-GAAP Diluted Earnings Per Share and Software-Related Margin Dollars as the two performance metrics that will determine the payout. This better aligns management s compensation with key strategic measures, and continues to differentiate our LTI Program financial metrics from our Annual Incentive Plan metrics. Because the Committee granted all long-term incentive awards in 2016 in the form of equity awards under our Stock Plan, the Committee determined that no new awards would be made under our EPP in 2016.

Our Named Executive Officers

Our Compensation Discussion & Analysis describes NCR s 2015 executive compensation program for our named executive officers, who are listed below (the named executives). The Committee has sole authority over the program and makes all

compensation decisions for our named executives. For more about the compensation of our named executives, see the Executive Compensation Tables (starting on page 62).

William Nuti Chairman of the Board, Chief Executive Officer and President (CEO)

Robert Fishman Senior Vice President and Chief Financial Officer

Andrew Heyman Senior Vice President and President, Financial Services Division

Frederick Marquardt Executive Vice President, Services, Enterprise Quality and Telecom & Technology

Michael Bayer Senior Vice President and President, Retail Solutions Division

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Our Executive Compensation Philosophy

Our executive compensation program rewards executives for achieving and exceeding the Company s strategic business and financial goals. We accomplish this by linking compensation to Company-wide metrics and operational results for areas that each member of our executive team directly controls. The Committee regularly evaluates the elements of our program to ensure

that they are consistent with both Company and stockholder short-term and long-term goals, given the dynamic nature of our business and the markets where we compete for talent. The Committee annually approves the design of our executive compensation program, performance objectives, performance and compensation levels and final compensation for our named executives.

Executive Compensation Program Design Factors We Consider

When designing our executive compensation program, the Committee considers actions that:

Impact of Most Recent Say On Pay Vote

At the 2015 Annual Meeting our stockholders continued their strong support of our executive compensation program with 87.64% of all votes cast approving the program. The Committee believes that this vote shows a high level of 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. The Committee continued to apply this philosophy in establishing our 2015 executive compensation program. Also, the Committee considered this strong stockholder support, along with input from our stockholders, when taking subsequent 2015 actions, and in designing our executive compensation program for 2016.

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Independent Compensation Consultant

The Committee retains and is advised by Frederic W. Cook & Co., Inc., a national executive compensation consulting firm, to assist in review and oversight of our executive compensation programs. The Committee considers FWC s advice and recommendations when making executive compensation decisions. FWC is independent of the Company s management, and reports directly to the Committee. FWC representatives attended substantially all meetings of the Committee in 2015. Our CEO is not present during Committee and FWC discussions about CEO compensation. Also, FWC reports on CEO compensation are not shared with our CEO. For more about FWC s role as advisor to the Committee, see the Compensation and Human Resource Committee section (starting on page 19).

Management Recommendations

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 long-term incentive awards, and making executive compensation decisions for executives other than

our CEO. Our CEO attends all Committee meetings and participates in the general discussion at the meetings. However, the CEO and management do not participate in Committee discussions about CEO compensation or otherwise make recommendations about CEO compensation.

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Best Practices in NCR Executive Compensation

Our executive compensation program features many best practices:

WHAT WE DO	WHAT WE DON T DO
ü **Pay for Performance.** A significant portion of our named executives compensation is at-risk and delivered only if rigorous performance goals established by the Committee are achieved.	X **No Guaranteed Annual Salary Increase or Bonus.** Salary increases are based on individual performance evaluations, while annual cash incentives are tied to corporate and individual performance, as well as customer satisfaction.
ü **Strong Link between Performance Goals and Strategic Objectives.** We link performance goals for incentive pay to operating priorities designed to create long-term stockholder value.	X **No Plans that Encourage Excessive Risk Taking.** Based on the Committee s annual review, none of our pay practices incentivize employees to engage in unnecessary or excessive risk-taking.
ü **Independent Compensation Consultant.** The Committee retains an independent compensation consultant to evaluate and advise on our executive compensation programs and practices, as well as named executive pay mix and levels.	X **No Hedging or Pledging of NCR Securities.** Our policies prohibit hedging and pledging of the Company s equity securities.
ü **Benchmark Peers with Similar Business Attributes and Business Complexity.** The Committee benchmarks our executive compensation program and annually reviews peer group membership with its independent compensation consultant.	X **No Repricing Stock Options.** Our Stock Plan prohibits repricing of stock options without prior stockholder approval.
ü **Strong Compensation Clawback Policy.** Executive awards are subject to clawback in specified circumstances.	X **No Excessive Perquisites.** We offer only limited perks to be competitive, to attract and retain highly talented executives and ensure their safety and focus on critical business activities.
ü **Robust Stock Ownership Guidelines.** We require named executives to meet our aggressive guidelines, and to maintain the guideline ownership level after any transaction.	X **No Dividends or Dividend Equivalents Paid on Unvested Equity Awards.** Equity awards must vest before dividends are payable.
ü **Double Trigger Benefits in the Event of a Change in Control.** Equity awards do not automatically vest in a change in control of NCR unless employment also ends in a qualifying termination.	X **No Excise Tax Gross-ups** for new Change in Control Severance Plan participants (since 2010), and no tax gross-ups on any perquisites other than standard relocation benefits.
ü **Reasonable Change in Control Severance.** Change in control severance benefits are three times target cash pay for the CEO and two times target cash pay for other eligible senior executives.	X **No Special Executive Pension Benefits** for any executives, and no broad-based pension benefits except for limited benefits under closed and/or frozen pension plans covering only one of our named executives.

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Key Elements of 2015 Executive Compensation

The key elements of our 2015 executive compensation program are shown in the chart below. Each element of the program has a specific purpose in furthering our compensation objectives.

	Fixed		Variable	
	Base Salary	Annual Incentives	Long-Term Incentives: Equity Awards	Long-Term Incentives: Economic Profit Plan
Key Features	Competitive fixed level of cash income Reviewed annually and adjusted when appropriate	Variable compensation payable annually in cash if performance goals achieved	Restricted stock units payable based on achieving performance goals and continued service Performance-based RSUs units vest 44 months after grant based on actual performance Time-based RSUs vest 1/3 on each anniversary of the grant date	A percentage interest in our Economic Profit as defined in our EPP
Why We Pay This Element	Provides a base level of competitive cash pay for executive talent Promotes appropriate risk taking	Motivates and rewards executives for performance on key Company-wide financial metrics and customer satisfaction Executive-specific objectives motivate our team to achieve goals in areas they can influence	Aligns executive pay and stockholder interests and serves to retain executive talent Motivates executive performance on key long-term measures to build multi-year stockholder value	Links incentive compensation to sustainable long-term performance, which drives sustainable stockholder value creation Retention of key executives
How We Determine Amount	Committee approves based on role, position against external market, and internal comparable salary levels	NPOI performance threshold must be achieved for any payout Maximum award as % of NPOI is 1.5% for	RSU grant mix: -75% Performance-based RSUs	A predetermined percentage of Economic Profit may be deposited in a bookkeeping account for each executive

	CEO and 0.75% for other named executives Award payout ranges: - Financial Metrics: 0% 200% -Individual Goals: 0% 150% -Customer Success: 0% or 10%	-25% Time-based RSUs Performance threshold of 20% ROC must be achieved for any payout Performance based RSU payout ranges from 0% to 150%	33% of the account balance is eligible for annual vesting / payout

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2015 Executive Compensation Program Highlights

The Company s 2015 executive 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. For specific examples of actions taken by the Company in 2015 to carry out this philosophy, see the Summary of 2015 Compensation Program Actions by our Committee section starting on page 29.

2015 Pay for Performance Highlights

The portion of at risk compensation increases directly with an executive s role and responsibility within the Company, ensuring that our senior executives are held most accountable to our stockholders. The charts below show that a very significant portion (92%) of our CEO s 2015 target total compensation pay 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. Our CEO s pay mix is also generally consistent with the pay mix of CEOs in our peer group. The percentage of target total pay that is at risk for our other named executives, which averaged 83% for 2015, is also generally consistent with the pay mix of other named executives in our 2015 peer group.

2015 Target Total Direct Compensation Pay Mix

NCR CEO: **Target Pay Mix**	**Peer Group CEO:** **Target Pay Mix**
[Graphic Appears Here]	[Graphic Appears Here]
NCR Other Named Executives: **Target Pay Mix**	**Peer Group Other Named Executive Officers** **Target Pay Mix**
[Graphic Appears Here]	[Graphic Appears Here]

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2015 At Risk Pay vs. Fixed Pay Mix at Target

For our CEO and our other named executives, the 2015 ratio between performance-based pay (including performance-based equity and annual cash incentives) and fixed pay (base salary and time-based equity) is consistent with the pay mix of other CEOs and named executive officers in our peer group.

NCR CEO: At-Risk vs. Fixed Pay	Peer Group CEO: At-Risk vs. Fixed Pay
[Graphic Appears Here]	[Graphic Appears Here]
NCR Named Executives: At-Risk vs. Fixed Pay	**Peer Group Named Executive Officers: At-Risk vs. Fixed Pay**
[Graphic Appears Here]	[Graphic Appears Here]

Understanding Our CEO s Target Pay vs. Realizable Pay

Because such a significant portion of the compensation of our named executives is performance-based and therefore at risk, we review the target versus the realizable compensation levels of our CEO and our other named executives 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. This Table shows the target versus realizable compensation for the CEO for the previous three fiscal years:

Our CEO s

Target Pay vs. Actual Realizable Pay

	Target Pay(1) ($M)					Realizable Pay(2) ($M)					Realizable vs. Target Pay
Year	**Base**	**Target Bonus**	**RSUs**	**EPP**	**Total**	**Base**	**Actual Bonus**	**RSUs**	**EPP**	**Total**	
2015	$ 1.0	$ 1.5	$ 8.0	$ 1.5	$ 12.0	$ 1.0	$ 0.0	$ 7.3	$ 2.0	$ 10.3	86%
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%

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(1) Target pay 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, 2015, and the actual EPP Bonus Credit award based on the actual economic profit for each year . 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 (payout earned). The 2015 annual performance-based LTI award granted on February 23, 2015 is reflected at 114.5% of target, and is subject to the Company achieving a two-year average ROC threshold of 20% during the performance period.

The above Table shows that our executive compensation program is designed so that the amount of compensation that our CEO actually receives may be higher or lower than the Target amount approved by the Committee, depending on our stock price performance, level of achievement of financial goals, Committee discretionary reductions and other relevant factors. Because it highlights how clearly our CEO s actual realizable pay is tied to Company performance, this Table demonstrates the very strong alignment of the interests of our executives with those of our stockholders. This Table is supplementary to, and is not intended to be a substitute for, the Summary Compensation Table included in these proxy materials.

Comparing our CEO s Realizable Pay with Company Performance

This chart compares our CEO s realizable compensation to Company performance over the last three years:

CEO Realizable Pay vs. Company Performance

	CEO Realizable Pay			Company Performance		
Year	**Realizable vs. Target Pay**	**Bonus Payout Earned**	**Performance LTI Award Earned(1)**	**NPOICC Results ($M)**	**NCR 1-Year Total Shareholder Return (TSR)(2)**	**NCR 1-Year TSR Percentile Rank for Peer Group(2)**
2015	86%	0%	114.5%	$ 721	-16%	33%
2014	24%	0%	43.6%	$ 695	-14%	0%
2013	97%	42%	100.8%	$ 592	34%	25%

(1) 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 (payout earned). The 2015 annual performance-based LTI award granted on February 23, 2015 is reflected at 114.5% of target, and is subject to the Company achieving a two-year average ROC 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 the strong alignment between our CEO s realizable pay and Company performance. The above chart is supplementary to, and is not intended to be a substitute for, the Summary Compensation Table included in these proxy materials.

Our Process for Establishing 2015 Compensation

Our Committee has the sole authority to establish compensation levels for our named executives. When making compensation decisions, the Committee carefully examines:

- **External Market Analysis** including reports by the Committee s independent compensation consultant on peer group member proxy pay data and external market surveys;
- **Internal Compensation Analysis** including management reports on comparable internal compensation levels and compensation history; and

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Recommendations from our CEO and our Senior Vice President, Corporate Services and Chief Human Resources Officer about compensation for named executives,
except the Committee does not consider management recommendations when making decisions about CEO compensation.

External Market Analysis Peer Group and Survey Data

We use several methods to examine the various elements of our executive compensation program to determine the competitive market and understand current compensation practices. In general, the Committee considers the median of the peer group data described below when establishing base salary, annual incentive and long-term incentive opportunities. 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 its independent compensation consultant, and considers key business decisions that can impact compensation.

Compensation Peer Group Selection. The Committee reviews the Company s peer group annually with its independent compensation consultant, and makes changes to the group to the extent determined appropriate based on changes in peer business attributes. The consultant then produces for the Committee s review an independent analysis of the cash and equity compensation for the five highest compensated executives at each company within the final peer group, and a comparison of our similarly ranked named executives 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 in the software and services or technology hardware industries, and are of reasonably similar size based on annual revenues, market capitalization, operating income and enterprise value. 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.

Final 2015 Peer Group. The Committee carefully reviewed our prior peer group and determined, with the advice of its independent compensation consultant, that no modifications were needed for 2015. As such, we continued to use our 2014 peer group for purposes of benchmarking our 2015 executive compensation program.

Our 2015 peer group therefore consisted of the following companies:

Our Peer Companies 2015 Compensation

Adobe Systems	Fidelity Info Services	Juniper	SanDisk
Agilent	Fiserv	NetApp	Seagate
CA Technologies	Harris	Pitney Bowes	Symantec
Diebold	Intuit	Salesforce	Western Digital

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External Market Surveys. The Committee reviewed a comprehensive analysis and assessment prepared by its independent compensation consultant, which showed the competitive position of our named executive pay mix and levels compared to the marketplace using a combination of proxy data from our peer group, as well as general market data provided 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 give us access to market data for numerous companies under a consistent methodology to assist our understanding of market trends and practices. The market surveys used were:

- **Towers Watson General Industry Executive Compensation Survey U.S.,** including data on corporate-wide roles for companies with global corporate revenue of $6-10 billion, and data for other roles for companies with appropriate group/division size based on revenue.
- **Towers Watson High Tech Executive Compensation Survey U.S.,** including data for companies with appropriate unit size based on revenue.
- **Aon Hewitt TCM Online Executive U.S.,** including data for corporate-wide roles from companies with corporate-wide revenue of $5-10 billion, and data for other roles from companies with appropriate group/division size based on revenue.
- **Radford Technology Survey U.S. Survey Totals,** including data from all companies.

The Committee considers market median levels when setting compensation levels, but retains flexibility to set compensation above or below the median based on individual considerations. When setting 2015 compensation levels, the Committee considered our peer group s proxy data for chief executive officers and chief financial officers with a 100% weighting for Mr. Nuti and Mr. Fishman, respectively. For Mr. Heyman, Mr. Marquardt and Mr. Bayer, the Committee considered our peer group s proxy data for Unit Heads with a 75% weighting, and general market survey data for similar Sector Heads with a 25% weighting.

Internal Compensation Analysis Tally Sheets and Internal Equity

- **Tally Sheets.** At each regular Committee meeting considering compensation changes, the Committee reviews comprehensive internal tally sheets showing the total compensation opportunity provided to our named executives 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 compensation 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.** The Committee also reviews internal reports on named executive base salaries and incentive plan targets compared to internal peers. To maintain a fair balance throughout the executive level at

the Company, we strive for a level of consistency in compensation, with differences based on degree of judgment and strategic nature of executive roles, as well as individual performance measured both objectively and subjectively. For 2015, our CEO s 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) was 3.9 times that of the next highest-paid named executive. The Committee considers

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this an appropriate ratio, taking into account our CEO s overall leadership responsibility, the competitive market compensation rate 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.

Recommendations

The Committee also considers recommendations from our CEO and our Senior Vice President, Corporate Services & Chief Human Resources Officer when establishing compensation levels for named executives other than the CEO. The CEO and management do not participate in any Committee discussions about CEO compensation.

2015 Executive Compensation Program Details

Base Salaries for 2015

We attempt to set base salaries at a level competitive with our peer group. This helps us attract and retain top quality executive talent, while keeping our overall fixed costs at a reasonable level.

For 2015, the Committee approved these base salaries for our named executives:

Summary of 2015 Base Salary Actions

Named Executive	Effective Date of Most Recent Base Salary Action	Base Salary on December 31, 2015	Rationale for Base Salary Actions
William Nuti	August 8, 2005	$ 1,000,000	No Change Competitive
Robert Fishman	September 15, 2014	$ 575,000	No Change Competitive
Andrew Heyman	September 15, 2014	$ 575,000	No Change Competitive
Frederick Marquardt	September 15, 2014	$ 575,000	No Change Competitive
Michael Bayer	March 1, 2015	$ 540,000	Transfer to our U.S. Company at a market competitive adjustment

Annual Incentives for 2015

Total Annual Incentive Plan Opportunity for 2015

The total 2015 Annual Incentive Plan opportunity for our named executives was comprised of our:

	+	

Management Incentive Plan Bonus		Customer Success Bonus

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Setting Annual Incentive Targets

At the beginning of the performance year, the Committee establishes a total target bonus for each named executive as a percentage of their base salary for purposes of both the MIP and the Customer Success Bonus. This total target bonus percentage has three components:

- **MIP Core Financial Objectives Target Bonus,** which is a target bonus percentage that is then multiplied by a Company-wide performance factor generated by achieving core financial goals (the Core Financial Objectives);

- **MIP Individual Performance Modifier,** which is a MIP percentage modifier based on the particular named executive s achievement of individual performance goals (MBOs); and

- **Customer Success Target Bonus,** which is a target bonus percentage linked to the Company s overall customer success survey results.

Calculating Annual Incentive Awards

The calculation of Annual Incentive Plan awards includes our MIP and Customer Success Bonus components as follows:

Total Annual Bonus Opportunity 2015

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

MIP Core Financial Objectives for 2015

The Committee established the MIP Core Financial Objectives for 2015 based on:

Non-Pension Operating Income (NPOI) **and** Adjusted

Free Cash Flow

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NPOI Objective

The Committee established NPOI as 60% of the Core Financial Objectives. We use NPOI 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.

Adjusted Free Cash Flow Objective

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

- provides the resources required by the Company 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.

MIP Core Financial Objectives Definitions and Impacts

The 2015 MIP core financial objectives, including the definitions and impact of each, are shown in this chart:

MIP Core Financial Objectives for 2015

Financial Objective	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.

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(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 directly comparable GAAP measures.

We exclude the impact of our pension expense and certain specified special items from our NPOI Core Financial Objective because they do not directly relate to a named executive s performance or the Company s operational success.

MIP Core Financial Objectives 2015 Targets, Thresholds 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 50%, 100%, or 200% of the MIP target, respectively. Awards are interpolated between these levels. The threshold for an objective must be reached before any MIP payment will be made for that objective. On February 23, 2015, the Committee decided when establishing our 2015 MIP that performance results for the NPOI objective would be determined on a constant currency basis to eliminate the impact of foreign currency during the performance period, based on the same foreign exchange rates used to establish the Company s 2015 financial plan.

NPOI Threshold: The Committee established a 2015 NPOI threshold performance level of $885 million (before constant currency adjustment). This NPOI performance level is 8% greater than the Company s actual 2014 NPOI of $820 million.

Adjusted Free Cash Flow Threshold: The Committee established an Adjusted Free Cash Flow threshold performance level of $350 million. This level is 12% greater than the Company s actual 2014 Adjusted Free Cash Flow of $313 million.

The Committee s establishment of challenging MIP performance thresholds requires our named executives 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.

Absolute Limit on MIP Payouts and Committee Discretion. The annual bonus otherwise payable under the MIP is also subject to an absolute limit based on the Company s performance. The maximum annual bonus payout opportunity is 1.5% of NPOI for our CEO, and 0.75% of NPOI for our other named executives. Consistent with Section 162(m) of the Internal Revenue Code (the Code), the Committee retains the discretion to decrease, but not increase, the final Annual Incentive Plan payout earned.

MIP Individual Performance Modifiers

In addition to the Core Financial Objectives, we establish multiple individual objectives, called MBOs, for each of our named executives. These individual objectives are assigned to our named executives based on their areas of influence, and on objectives that are critical for the Company s achievement of its overall financial goals and stretch internal objectives. Based on the extent to which a named executive satisfies his MBOs, the Committee determines an individual performance modifier that increases or decreases the preliminary MIP bonus determined by the Core Financial Objectives. The individual performance modifier can range from 0% for poor performance to 150% for exceptional performance.

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The Committee established multiple MBOs for our CEO, and in conjunction with the CEO, for each named executive. The MBOs selected 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.

Customer Success Bonus for 2015

Because of the critical importance of customer retention, customer referrals and customer relationships, we retain our Customer Success Bonus as a separate component of our Annual Incentive Plan, with its own separate reward structure. We link our Customer Success objective to a semi-annual survey of customers conducted by an independent third party. The actual payout for this component is determined at the discretion of the Committee for our CEO, and at the discretion of the CEO for our other named executives.

Annual Incentive Plan Total Bonus Opportunity for 2015

For 2015, the Committee established MIP annual incentive targets for our named executives based on peer group data and positioning within the senior leadership team. The 2015 target MIP and Customer Success annual incentive opportunities for our named executives were:

2015 Annual Incentive Plan Targets and Total Bonus Opportunity

	(% of Base Salary)			
		Customer	Total	Total
Named	MIP	Success	Annual Bonus Target	Annual Bonus
Executive	Target	Target	(MIP Target + Customer Success Target)	Opportunity
William Nuti	140%	10%	150%	0% to 430%
Robert Fishman	100%	10%	110%	0% to 310%
Andrew Heyman	100%	10%	110%	0% to 310%
Frederick Marquardt	100%	10%	110%	0% to 310%
Michael Bayer	100%	10%	110%	0% to 310%

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By way of illustration, in the case of our CEO, if the Core Financial Objectives had been met at the maximum level, this could generate 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%) was also met, his total Annual Incentive Plan bonus could have been 430% of his base salary.

Annual Incentive Plan Objectives, Results and Payouts for 2015

MIP Core Financial and Customer Success Results and Payout Funding

The Committee established the 2015 Core Financial Objectives to align with our corporate goals as shown in the Chart below. The Chart below shows the NPOI Core Financial Objective as adjusted to reflect a constant currency basis as determined appropriate by the Committee when the 2015 MIP was established. Also shown are the MIP performance results, annual incentive payouts earned and funding approved for our named executives for the 2015 performance year. NPOI results are also shown on a constant currency basis as determined by the Committee.

NPOI results for the 2015 year on a constant currency basis were $830 million which exceeded the threshold NPOI objective of $812 million on a

constant currency basis. Adjusted Free Cash Flow for the year was $409 million which exceeded the threshold Adjusted Free Cash Flow objective of $350 million. These financial performance achievements resulted in an earned payout of 46.9% for the NPOI objective and 67.2% for the Adjusted Free Cash Flow objective. While performance against our internal MIP financial metrics resulted in a combined total earned payout of 114.1% of target, the Committee and our CEO determined that several key strategic goals fell short of expectations. Therefore, it was determined that no MIP awards would be paid to the CEO or any other named executives for 2015 in keeping with our pay-for-performance philosophy.

The 2015 Annual Incentive Plan objectives, results, earned payout and funded payout are shown in this chart:

2015 Annual Incentive Plan Objectives, Results and Funding

	Performance Objectives ($M)				
	Threshold	**Target**	**Maximum**		
Discretionary Objectives	(25% Funded)	(100% Funded)	(200% Funded)	**Performance Results**	**Earned and Funded Payouts**
Non-Pension Operating Income[1] (60%)	$812	$844	$876	$830	Calculated at 114.1% of Target
Adjusted Free Cash Flow (40%)	$350	$375	$425	$409	(Funded at 0% of Target)

Customer Success Objective	Payout Linked to Overall Satisfaction Of Company Customers	Below Expectations	0%

(1) NPOI threshold, target and cap are shown on a constant currency basis as determined appropriate by the Committee.

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Individual Performance Modifier Assessment

Although Mr. Nuti and other NEOs did achieve and exceed many of their 2015 individual objectives, collectively the Company s performance on several key strategic goals fell short of expectations. Therefore it was determined that no Annual Incentive Plan awards would be paid to the CEO or certain other named executives for 2015 in keeping with our pay-for-performance philosophy.

Annual Incentive Plan Final 2015 Payouts

The total annual bonus payments approved for each named executive for the 2015 performance year were:

2015 Annual Incentive Plan Final Payout Calculation

Named Executive	MIP Target	MIP Payout Earned (% of Target)	Funded MIP Payout (Before IPM)	Individual Performance Modifier	MIP Payout (After IPM)	Customer Success Payout (0% of Target)	Total Bonus Payout
William Nuti	$ 1,000,000	114.1%	$ 0	0%	$ 0	$ 0%	$ 0
Robert Fishman	$ 575,000	114.1%	$ 0	0%	$ 0	$ 0%	$ 0
Andrew Heyman	$ 575,000	114.1%	$ 0	0%	$ 0	$ 0%	$ 0
Frederick Marquardt	$ 575,000	114.1%	$ 0	0%	$ 0	$ 0%	$ 0
Michael Bayer	$ 511,205	114.1%	$ 0	0%	$ 0	$ 0%	$ 0

Messrs. Fishman and Marquardt each received discretionary bonuses for 2015 that were recommended by the CEO and approved by the Committee. Mr. Fishman was awarded $100,000 for his leadership on the Company s evaluation of certain strategic alternatives and over-achievement on other core initiatives. Mr. Marquardt was awarded $136,500 for exceeding the full year 2015 controllable operating income goal for the Services division and for another year of continued improvement of Services delivery execution.

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2015 Long-Term Incentives

Our Long-Term Incentive Program directly aligns a large portion of the total compensation of our named executives with Company performance and changes in stockholder value. Long-term incentives for our named executives include:

- **Equity Awards** under our Stock Plan, and
- **Bonus Credit Awards** under our EPP.

2015 Equity Award Mix

The use of equity for our LTI program links our executives and stockholders to a common goal: sustainable stockholder value creation. On February 23, 2015, the Committee approved 2015 annual equity awards under our Stock Plan in the form of performance-based and time-based restricted stock units. We use these awards to create commonality of interests with stockholders and help manage our ability to retain our key executives. These awards also provide a good balance to our executives and protection to our stockholders, because wealth creation can be realizable by an executive only when both long-term performance goals and service-based milestones are achieved.

The 2015 equity award mix for our named executives is 75% performance-based restricted stock units, and 25% time-based restricted stock units.

- **Performance-based restricted stock units** awarded in 2015 have a two-year performance period (2015-2016) with NPOICC as the secondary performance metric as described below. However, no units are earned unless we also achieve a two-year average ROC (the primary performance metric) performance threshold for the 2015-2016 period as described below. Any units earned from achievement of these performance goals vest 44 months after granted (on October 23, 2018), so long as the executive continues Company service through the vesting date. The maximum share payout for performance-based units is 150% of target.
- **Time-based restricted stock units** awarded in 2015 have a three-year restriction period and vest 1/3 on each anniversary of the grant date, so long as the executive continues Company service through the applicable vesting date.

- **Special vesting rules** provide that early vesting can occur only if employment ends because of death, disability or other limited reasons described in the Potential Payments upon Termination or Change in Control section (starting on page 70).

For our 2015 equity awards, the number of shares subject to restricted stock units was determined by converting the dollar value approved by the Committee into a specific number of shares, based on the grant date closing price of our common stock as provided under our Stock Plan.

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Performance-Based Equity Performance Metrics

ROC Primary Performance Metric

ROC Performance Threshold: No performance-based restricted stock units are earned unless the Company achieves a two-year average ROC performance threshold of 20% over the 2015-2016 performance period. At the time the awards were granted, the Committee decided that ROC performance results would be determined on a constant currency basis to eliminate the impact of foreign currency during the performance period, based on the same foreign exchange rates used to establish the Company s 2015 financial plan.

ROC Defined: We calculate ROC by dividing NPOI by Controllable Capital, which represents the working capital that our management team has deployed at any given time.

Why We Use ROC: This ROC threshold is a significant hurdle that ensures restricted stock units can be earned only if the Company generates enough ROC during the performance period to sustain and grow the business. Using this ROC performance hurdle mitigates risk in a challenging year and protects the interests of our stockholders.

NPOICC Secondary Performance Metric

NPOICC Performance Threshold: If the ROC performance threshold is met, the number of shares earned for each performance-based unit depends on our NPOICC results over the two-year performance period. The Committee established an NPOICC performance threshold of $631 million for 2015 awards, determined on a constant currency basis. The Committee decided that NPOICC performance results would be determined on a constant currency basis to eliminate the impact of foreign currency during the performance period, based on the same foreign exchange rates used to establish the Company s 2015 financial plan. Consistent with Code Section 162(m), the Committee retains the discretion to decrease, but not increase, the final number of 2015 performance-based restricted stock unit awards paid.

NPOICC Defined: NPOICC is defined in the chart below.

Why We Use NPOICC: We use NPOICC for the reasons shown in the chart below. We take capital charges into account in determining NPOICC because they represent our cost of capital used in operations and corporate activities. By using capital charges in the performance measure, we ensure that our named executives 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 such, this NPOICC goal motivates our named executives to manage our assets prudently as they work to increase revenue and lower operating costs.

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We calculate NPOICC as follows:

NPOICC Non-Pension Operating Income Minus Capital Charge

Formula	Definition	Impact on Our Financials	Impact on Our Behavior
NPOI[(1)]	**Non-Pension Operating Income** 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 which was 9.0% for 2014 **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** is 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 **+**	Changes in Assets, Liabilities & Stockholders Equity on our Balance Sheet (non-GAAP)	Efficient use of Capital (Assets, Debt and Stock)

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:

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	Changes in our Stock Price, Market Capitalization, and Enterprise Value	Create Sustainable Enterprise Value for Stockholders

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(1) NPOI and NPOICC are non-GAAP measures. Income from operations is the most directly comparable GAAP measure.

2015 NPOICC Results and Impact on 2015 Equity Awards

2015 NPOICC Results

2015 NPOICC Achieved: NPOICC achieved for 2015 was $721 million.

Impact of 2015 NPOICC Results on 2015 Awards

Impact on 2015 Performance-Based Equity Awards: The 2015 NPOICC of $721 million achieved exceeded the target NPOICC of $709 million, both determined on a constant currency basis, resulting in a preliminary award of 114.5% of the target number of units granted on February 23, 2015. This restricted stock unit payout of 114.5% is now subject to NCR achieving at least $709 million of NPOICC for the 2016 performance year (and if not, the payout will be reduced to 100%), a two year average ROC requirement of at least 20%, along with the vesting requirement of continued employment with the Company through October 23, 2018.

History of Annual LTI Equity Awards

This Chart shows our three-year payout history for annual performance-based equity awards, with 2015 goals and results shown on a constant currency basis:

Annual LTI Equity Awards: Historical Goals, Results and Payouts

Award Year	Performance Period	NPOICC Performance Range ($M) Threshold	Target	Maximum	Return on Capital Results	NPOICC Results ($M)	Final Payout
2015	**2015 2016**	$ 631	$ 709	$ 750	73.1%	$ 721	114.5%
2014	**2014 2015**	$ 665	$ 785	$ 865	67.9%	$ 695	43.6%
2013	**2013 2014**	$ 530	$ 590	$ 650	57.5%	$ 592	100.8%

2015 Total Annual LTI Equity Award Values

This Chart shows the 2015 total annual LTI equity award values for our named executives:

2015 Total Annual LTI Equity Award Value[1]

Named Executive	Performance-Based RSUs (75% of Value)	Time-Based RSUs (25% of Value)	Total Award Value
William Nuti	$ 6,000,003	$ 2,000,011	$ 8,000,014
Robert Fishman	$ 825,001	$ 274,990	$ 1,099,991
Andrew Heyman	$ 1,124,988	$ 375,006	$ 1,499,994
Frederick Marquardt	$ 1,124,988	$ 375,006	$ 1,499,994
Michael Bayer	$ 1,124,988	$ 375,006	$ 1,499,994

(1) Represents the grant date fair value of RSUs, as shown in the Grants of Plan-Based Awards 2015 Table on page 66.

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2015 Ad Hoc LTI Awards

2015 Ad Hoc Awards: In past years, the Committee has approved Ad Hoc LTI awards with single-metric performance based conditions in appropriate circumstances. No named executives received Ad Hoc awards in 2015.

Update on 2013 and 2014 Performance-Based Equity Awards

2013 Awards

In 2013, we made an annual grant of performance-based restricted stock units to our named executives, other than Mr. Bayer who joined the Company in August of 2014. These awards had a two-year performance period that began January 1, 2013 and ended December 31, 2014. The number of shares earned, based on performance achieved, could range from a threshold of 25% to a maximum of 125% of units granted. In February 2015, the Committee certified that performance for these awards was 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 service with the Company through the vesting date. Earlier vesting can occur because of death, disability, or other limited reasons described in the Potential Payments Upon Termination or Change in Control section (starting on page 70).

2014 Awards

In 2014, we made an annual grant of performance-based restricted stock units to our named executives, other than Mr. Bayer who joined the Company in August of 2014. These awards had a two-year performance period that began January 1, 2014 and ended December 31, 2015. The number of shares earned, based on performance achieved, could range from a threshold of 25% to a maximum of 125% of units granted. In February 2015 the Committee certified that performance for these awards was achieved at 43.6% of target. Because this performance was below target, the Committee determined that these awards would not be

increased based on 2015 performance. The awards had a threshold performance target of 20% ROC, which was achieved. These awards will vest 100% on October 24, 2017, subject to the executive s continued service with the Company through the vesting date. Earlier vesting can occur because of death, disability or for other limited reasons described in the Potential Payments Upon Termination or Change in Control section (starting on page 70).

In 2014, the Committee approved Ad Hoc single-metric performance-based restricted stock unit awards for Mr. Marquardt and Mr. Bayer. Mr. Marquardt s award was made in recognition of his promotion to his current position, becoming a Section 16 Officer, to increase the retention value of his unvested equity, and to create strong alignment with stockholder interests. Mr. Bayer s award was made to increase the retention value of his unvested equity and to create strong alignment with stockholder interests. Vesting of these awards was contingent on the Company achieving a Committee-approved NPOI performance target of $800 million for the performance period that began January 1, 2015 and ended December 31, 2015. In February 2016, the Committee certified that NPOI achieved for the performance period was $830 million, which exceeded the performance target for these awards. As a result, these awards will vest 100% on the third anniversary of their grant dates (May 1, 2017 for Mr. Marquardt, and December 1, 2017 for Mr. Bayer), as long as the executives continue Company service through the applicable vesting dates. Earlier vesting can occur because of death, disability or for other limited reasons described in the Potential

Payments Upon Termination or Change in Control section (starting on page 70).

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2015 LTI Awards: Economic Profit Plan

With stockholder approval of our amended EPP in 2015, awards under the EPP continued to be a portion of the overall 2015 LTI award value granted to our named executives that otherwise would have been granted as RSUs under our Stock Plan. The EPP links our named executives incentive compensation to long-term, sustainable creation of stockholder value, and strikes a balance with the dilution that can occur with equity-based awards.

The financial metric used for the EPP is the Company s 2015 Economic Profit. As amended, the EPP uses this Economic Value Added (EVA) definition of Economic Profit to capture the EVA created by the decisions of our named executives:

Under this definition:

NOPAT means our non-pension operating income less cash paid for income taxes and the cash paid for restructuring charges.

Non-Pension Operating Income means income (loss) from operations reported under GAAP, excluding the impact of pension expense (benefit) and non-operational adjustments, and excluding the impact of foreign currency fluctuations as compared to foreign currency rates used to establish the Company s current year plan.

Total Invested Capital means our debt (long-term and short-term), plus stockholders equity, adjusted to eliminate the after-tax impact of the current year impact of pension expense (benefit) and non-operational adjustments, and excluding the impact of foreign currency fluctuations as compared to foreign currency rates used
to establish the Company s current year plan.

Weighted Average Cost of Capital has the meaning shown in the NPOICC-Non-Pension Operating Income Minus Capital Charge Chart (page 49).

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 9.0% for the 2015 performance year, which was the Company s quarterly average WACC during 2014.

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 2015, the Committee assigned each participating executive a specified percentage of the Company s Economic Profit under the EPP. The maximum percentage that can be assigned to any individual in any performance year is 5.0%. This percentage is called a carried interest in our Economic Profit, and represents the participant s opportunity to receive annual cash payouts.

If assigned a carried interest, a participant may receive 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 in the 2015 Economic Profit Plan Results section) 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 any 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 employment ends due to death, disability or other limited reasons described in the Potential Payments Upon Termination or Change in Control section (starting on page 70).

The EPP provides 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 rule ensures that our EPP does not conflict with Code Section 409(A).

Consistent with Code Section 162(m), the Committee may not increase a participant s originally assigned 2015 carried interest 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 individual MBOs or other factors determined to be relevant by the Committee.

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2015 Economic Profit Plan Results

We achieved Economic Profit of $304 million for the 2015 performance year. We also exceeded the EPP cash flow test requirement, as our Cash Flow from Operations of $681 million was greater than 1% of our total revenues for 2015 (or $64 million). The results of our 2015 Economic Profit calculation and our 2015 Cash Flow test are shown in this chart:

Economic Profit Plan 2015 Results

Economic Profit Calculation ($M)		Cash Flow Test Results ($M)	
NOPAT(1)	$ 775	Cash Flow from Operations	$ 681
Less the Product of:		Pension Adjustment	$ 0
Total Invested Capital	$ 5,238	Adjusted Cash Flow from Operations(1)(2)	$ 681
Multiplied by:		Total Revenues	$ 6,373
WACC	9%	Cash Flow Hurdle Rate (% of Total Revenues)	1%
Less: Capital Charge	($ 471)	Cash Flow Hurdle Amount 1% of Total Revenues	$ 64
***Economic Profit**	**$ 304**	***Cash Flow Test Passed**	ü

(1) NOPAT and Cash Flow from Operations, as defined for purposes of the EPP, are non-GAAP measures. Income from operations and net cash provided by operating activities, respectively, are the most directly comparable GAAP measures.

(2) Cash Flow from Operations, as defined for purposes of the EPP, is net cash provided by (used in) operating activities (in 2015, $681 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).

The participation level for our named executives and the amounts earned under the EPP for the 2015 performance year are:

Economic Profit Plan 2015 Awards and Payouts

Named Executive	2015 Carried Interest %	2014 Ending Bank Balance (after 2014 Payout)	2015 Bonus Credit Award	Bank Balance (Before 2015 Payout)(1)	2015 EPP Cash Payout(2)	2015 Ending Bank Balance (After 2015 Payout)
William Nuti	0.65%	$ 5,863,829	1,973,400	7,837,229	2,586,285	5,250,944
Robert Fishman	0.48%	$ 716,125	1,457,280	2,173,405	717,224	1,456,181
Andrew Heyman	0.65%	$ 332,186	1,973,400	2,305,586	760,843	1,544,743
Frederick Marquardt	0.65%	$ 265,749	1,973,400	2,239,149	738,919	1,500,230
Michael Bayer	0.65%	$ 0(3)	1,973,400	1,973,400	651,222	1,322,178

(1) 33% of the Bank Balance (before 2015 payout) is the 2015 EPP Cash Payout.

(2) The 2015 EPP Cash Payout is payable in August 2016 in accordance with the terms and conditions of the EPP.

(3) Mr. Bayer joined the Company in August 2014, and did not participate in the EPP until 2015 and therefore had no 2014 ending bank balance.

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2016 Multi-Year LTI Program with Vision 2020 Awards

After an extensive review with its independent compensation consultant, the Committee approved a unique, multi-year award for certain executives who are focused on delivering our transformation as part of our annual long-term incentive program in 2016. Under the multi-year program, on February 22, 2016 the Committee approved the grant of a portion of long-term award value for certain key members of our executive team, including our named executives, in the form of Vision 2020 Awards. These Vision 2020 Awards consisted of certain price-contingent restricted stock units for our named executives and other eligible executives as described below. These stock units vest only if certain aggressive NCR stock price targets are achieved over a five year performance period and executive service continues through the vesting date (with certain limited exceptions). The Committee approved the remaining portion of long-term award value in a mix of our traditional performance-based and time-based restricted stock units, with the performance-based units being subject to new performance goals tied to critical strategic measures as described below.

The Vision 2020 Awards signal a new direction for the Company in pursuit of its recently announced Vision 2020 strategy. The awards are designed to accelerate our transformation efforts, reinforce a sense of urgency among our key executives for delivering significant software revenue and margin growth that will unlock the valuation appropriate for NCR as the global market leader in consumer transaction technology, and align with expectations set for NCR s Vision 2020 strategy. The awards also recognize the unique challenges faced by the Company in its continued transformation, and the critical need to incentivize and retain a core executive team to realize this Vision 2020 for the Company and our stockholders. The value ultimately realized from the awards will be based on the growth in our share price following the grant date and achievement of the new business performance objectives noted below.

The price-contingent restricted stock units comprising the Vision 2020 Awards are partially front-loaded, that is, they represent half of the 2016 target annual long-term incentive compensation value for each executive, plus half of the target 2017 value that the Committee anticipated it would have granted to each executive in 2017. The target amount for each executive for 2016 and 2017 remained the same, except the timing of half of the anticipated 2017 grants was accelerated.

The Committee determined that partially front-loading the Vision 2020 Awards provides the following benefits to the Company and our stockholders:

- Creates immediate stockholder alignment by emphasizing stock price performance;
- Strongly incentivizes our key executive team to deliver a high level of Company performance over the performance period, and beyond, by tying the realizable value of awards to stock price performance;
- Focuses our key executive team on one set of stockholder aligned goals; and
- Provides enhanced retention in an environment where there is heightened competition for talent with industry peers, because the amount subject to forfeiture for departure is increased, without increasing the value of compensation paid by the Company over the front-loading period.

The traditional equity awards approved by the Committee for our named executives in 2016 were not front-loaded. These traditional awards represent the remaining half of the 2016 total target annual long-term incentive value for our named executives (because the first half of this value was granted as the non-front-loaded portion of the Vision 2020 Awards). The Committee currently

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expects to grant the remaining half of the 2017 total target annual long-term incentive value for our named executives as traditional equity awards in

2017 (because the first half of this value was granted as the front-loaded portion of the Vision 2020 Awards).

Vision 2020 Awards in 2016

Price-Contingent Restricted Stock Units: All named executives were awarded price-contingent restricted stock units with these terms:

- 50% are earned if NCR s stock price closes at or above $35 per share for any twenty consecutive trading days at any time during the five-year period after the grant date.

- 50% are earned if NCR s stock price closes at or above $40 per share for any twenty consecutive trading days at any time during the five-year period after the grant date.

- Vesting is also conditioned on continued service with the Company, where no more than 50% of the award earned will vest on the three-year anniversary of the grant date, and up to 100% of the award earned can vest on the four-year anniversary of the grant date, and finally, if not previously vested up to 100% of the award earned can vest on the five-year anniversary of the grant date conditioned entirely on NCR achieving the $35 and $40 stock price hurdles prior to these potential vesting dates.

The five year performance period for the Vision 2020 Awards provides a longer-term focus on sustained share price growth. Unless earned based on the stock price hurdles outlined above, all unvested Vision 2020 Awards are forfeited in the event of employment termination, except in the event of death, disability or other limited circumstances as described in the award agreements.

Traditional Restricted Stock Unit Awards in 2016

The traditional 2016 equity awards for our named executives were granted in our historical mix of 75% performance-based restricted stock units and 25% time-based restricted stock units, which aligns with the equity award mix for other Company leaders who were not eligible for Vision 2020 Awards. The performance-based restricted stock units are subject to a primary Return on Capital performance goal, plus secondary performance goals established by the Committee based on our critical strategic objectives of Non-GAAP Diluted Earnings Per Share (weighted 60%) and Software-Related Margin Dollars (weighted 40%). The number of shares earned will be determined initially based on results achieved for these objectives during the 2016 fiscal year (between a threshold, target and maximum amount established by the Committee). The maximum award payable is 150% of target. To the extent the number of shares earned exceeds the 2016 targets, the number of shares earned may be further adjusted based on results for the secondary performance goals during the 2017 fiscal year. In this case, the Company must also achieve Non-GAAP Diluted Earnings Per Share and Software-Related Margin Dollar results for the 2017 fiscal year at least equal to the 2016 fiscal year targets for these objectives, or the final number of shares earned will be reduced to the target number of shares granted.

For the traditional 2016 equity awards, any earned performance-based awards will vest 100% on October 22, 2019. Time-based awards will vest ratably, with one-third of the units vesting on each anniversary of the grant date. Both the performance-based and time-based awards are subject to the executive s continued employment with the Company through the applicable vesting dates subject to certain exceptions in the event of death, disability, termination without cause, termination for good reason and change in control described in the award agreements.

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No New Economic Profit Plan Awards for 2016

Because the Committee granted all long-term incentive awards in 2016 in the form of equity awards under our Stock Plan, the Committee determined that no new awards would be made under our Economic Profit Plan in 2016. Our named executives will continue to hold their existing Bonus Banks earned in 2015 and earlier years based on performance in those years. In 2016, these previously earned Bonus Banks may or may not become payable to our named executives according to the terms of the EPP described in the 2015 LTI Awards: Economic Profit Plan section (starting on page 52).

The long-term incentive awards granted to each of our named executives for 2016 are shown in this chart:

2016 Long-Term Incentive Awards and Value

Named Executive	**Vision 2020 Awards: Price-Contingent RSUs(1)**	**Traditional Performance-Based RSUs**	**Traditional Time-Based RSUs**	**Total Award Value(2)**
William Nuti	$ 10,000,000	$ 3,750,000	$ 1,250,000	$ 15,000,000
Robert Fishman	$ 3,000,000	$ 1,125,000	$ 375,000	$ 4,500,000
Andrew Heyman	$ 1,600,000	$ 600,000	$ 200,000	$ 2,400,000
Frederick Marquardt	$ 2,200,000	$ 825,000	$ 275,000	$ 3,300,000
Michael Bayer	$ 1,600,000	$ 600,000	$ 200,000	$ 2,400,000

(1) Includes half of the total target long-term incentive program value approved by the Committee for our named executives in 2016, plus the front-loaded half of the total target long-term incentive program value that the Committee anticipated it would grant to our named executives in 2017.

(2) Represents the 2016 total target long-term incentive program value approved by the Committee for our named executives, plus the font-loaded half of the total target long-term incentive program value that the Committee anticipated it would grant to our named executives in 2017.

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Other Employee Benefits

Like our other full-time, salaried U.S. employees, the named executives participate in a variety of 401(k) and health and welfare benefits designed to attract, retain and motivate our workforce and keep us competitive with other employers. Our 401(k) plan encourages employees to save and prepare financially for retirement. Health and welfare and paid time-off benefits help our workforce stay healthy, focused and productive.

Of our named executives, only Mr. Fishman had a benefit as of December 31, 2015 under our frozen, broad-based U.S. pension plans (the U.S. Pension Plan) that we closed over a decade ago. Mr. Fishman s benefit is shown in and described in more detail with our Pension Benefits Table below. Mr. Bayer had a minimal benefit under our closed, broad-based German pension plan before March 1, 2015, when he transferred to our U.S. Company and benefits and participation ceased under that plan.

The named executives are eligible for other limited benefits that the Committee considers reasonable and appropriate under our executive compensation

philosophy. These benefits, which do not comprise a significant portion of our named executives compensation, are intended to attract and retain highly qualified talent, minimize distractions from critical Company business and ensure the safety and security of our key executives. These benefits are shown in our Perquisites Table and reported as All Other Compensation in our Summary Compensation Table. 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 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 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 grandfathered Change in Control Severance Plan participants who entered the plan before January 28, 2010 (as discussed below).

Change in Control and Post-Termination Benefits

Change in Control Severance Benefits

If the Company considers potential change in control transactions, we want to ensure that key executives are incentivized to remain with us during this process and evaluate the transactions in an objective and undistracted way that may maximize stockholder value. For these reasons we have the Amended and Restated NCR Change in Control Severance Plan (the Change in Control Severance Plan) for our executive team. Under this plan, we pay only double-trigger separation benefits, that is, benefits pay out only if both a change in control occurs and employment ends in a qualifying termination.

Our Change in Control Severance Plan has two benefit levels. The CEO s cash severance benefit is

300% of his base salary plus target bonus. For other named executives, the cash severance benefit is 200% of base salary plus target bonus. There are no tax gross-ups under the plan, except for grandfathered participants who joined the plan before January 28, 2010. A grandfathered participant gets no gross-up unless the value of all severance and change in control payments exceeds 110% of the maximum amount that could be paid to the participant under Code

Section 280G without imposing an excise tax. If this value does not exceed the 110% threshold, we reduce payments to the extent needed to avoid the excise tax. For more about double-trigger benefits, see the Potential Payments Upon Termination or Change in Control section (starting on page 70).

Severance Benefits

We provide our key executives reasonable severance benefits to ensure that we remain competitive with other employers, and to help us attract and retain top talent. When our CEO was hired, he was offered severance benefits under a negotiated employment agreement in order to attract him to join our Company. We also have our

Executive Severance Plan, which provides certain severance benefits for eligible executives in the event employment ends in a qualifying termination not connected to a change in control. For more about these severance benefits, see the Agreements with Our Named Executives section (starting on page 64), and the Potential Payments Upon Termination or Change In Control section (starting on page 70).

Stock Ownership Requirements

The Committee recognizes that executive stock ownership plays a critical role in aligning the interests of management with those of stockholders. We also believe that our most senior executives should maintain a significant personal financial stake in NCR to promote a long-term perspective in managing our business. For these reasons, we have a formal policy requiring our named executives to own NCR common stock worth a guideline multiple of base salary. Shares that count toward the guideline include shares owned personally, restricted stock and restricted stock units, and stock acquired through our Employee Stock Purchase Plan. Stock options do not count toward the guideline. Newly hired or promoted executives have five years to reach their guideline.

All of our named executives exceed our stock ownership policy requirements, as shown in this table:

Stock Ownership as a Multiple of Base Salary

as of February 17, 2016

Named Executive	Guideline	Actual
William Nuti	6	15.7 times
Robert Fishman	2	3.7 times
Andrew Heyman	2	4.8 times
Frederick Marquardt	2	4.6 times
Michael Bayer	2	4.6 times

Compensation Clawback Policy

We have a policy generally providing that short-term and long-term incentive awards to our executive officers are subject to clawback (forfeiture or repayment), as directed by the Committee, if:

the payment, grant or vesting of the award was based on achieving financial results that were the subject of a restatement of the Company s financial statements within three years;

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 that forfeiture or
repayment is in the best interests of the Company and our stockholders.

If it is determined that the above conditions are met, then to the full extent permitted by law and as directed by the Committee, the executive officer must also forfeit any outstanding equity awards and repay amounts received from time-based equity award vesting and gains from stock option exercises.

Hedging and Pledging Policy

We have a policy that prohibits our employees from trading in derivative securities related to Company stock or debt, including publicly traded options, short sales, puts, calls, strips or similar derivative securities. This policy also generally prohibits pledging NCR securities as collateral for a loan.

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Tax Considerations in Setting Compensation

Under Federal tax rules, compensation over $1 million annually for certain named executives cannot be deducted unless paid under a performance-based plan satisfying Internal Revenue Service standards (or otherwise meeting certain IRS requirements). While we generally pay compensation intended to be deductible, the Committee has not adopted a policy requiring all pay to be deductible, so as to preserve the ability to award non-deductible compensation if determined to be in the best interests of our stockholders. In addition, these tax rules are complex and may change (including with retroactive effect), thus even compensation that is intended to be deductible may not qualify.

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Board and Compensation and Human Resource Committee Report on Executive Compensation

The Compensation and Human Resource Committee, comprised of independent directors, reviewed and discussed the above Compensation Discussion & Analysis with management. Based on that review and those discussions, the Committee recommended to our Board of Directors that the Compensation Discussion & Analysis be included in these proxy materials.

The Compensation and Human Resource Committee:

Linda Fayne Levinson (Chair)

Edward Pete Boykin

Chinh E. Chu

Gary J. Daichendt

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Executive Compensation Tables

Summary Compensation Table

Our 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, 2015, 2014, and 2013.

Summary Compensation Table ($)

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value	All Other Compensation	Total
(a)	(b)	(c)	(d)	(e)(1)	(f)(2)	(g)(3)	(h)(4)	(i)
William Nuti	**2015**	1,000,000		8,000,014	2,586,286		314,206	11,900,506
	2014	1,000,000		4,999,999	2,888,154		396,744	9,284,897
Chairman of the Board, Chief Executive Officer and President	**2013**	1,000,000		4,999,996	4,940,678		210,004	11,150,678
Robert Fishman	**2015**	575,000	100,000	1,099,991	717,224	(13,008)	23,593	2,502,800
	2014	538,502		750,011	352,719	42,507	24,242	1,707,981
Senior Vice President and Chief Financial Officer	**2013**	518,269		650,007	762,446		23,180	1,953,902
Andrew Heyman	**2015**	575,000		1,499,993	760,843		17,593	2,853,429
Senior Vice President, and President, Financial Services Division	**2014**	504,039	100,000	999,994	163,614		18,242	1,785,889
Frederick Marquardt	**2015**	575,000	136,500	1,499,993	738,919		23,490	2,973,902
	2014	499,038	100,000	899,994	130,891		23,425	1,653,348

Executive Vice President, Services, Enterprise Quality and Telecom & Technology								
Michael Bayer[(5)]	**2015**	497,358		1,499,993	651,222		140,558	2,789,131
	2014	214,662	213,325	999,999		181	28,976	1,457,143
Senior Vice President, and President, Retail Solutions Division								

(1) This column shows the aggregate grant date fair value, as determined in accordance with FASB ASC Topic 718, of the stock awards granted to each named executive in the applicable year. See Note 9 of the Notes to Consolidated Financial Statements contained in the Company s Annual Report on Form 10-K for the year ended December 31, 2015 (our 2015 Annual Report) for an explanation of the assumptions we make in the valuation of our equity awards. Assuming achievement of the highest level of performance, the aggregate grant date fair values of the performance-based restricted stock units granted in 2015 are as follows: Nuti: $9,000,005; Fishman: $1,237,502; Heyman: $1,687,482; Marquardt: $1,687,482; and Bayer; $1,687,482. For additional information about awards made in 2015, see the Grants of Plan-Based Awards 2015 table on page 66 of this proxy statement.

(2) The amounts reported for 2015 are comprised of amounts earned under our 2015 Annual Incentive Plan: Nuti: $0; Fishman: $0; Heyman: $0; Marquardt: $0; and Bayer $0, plus amounts for performance under the 2015 EPP to be paid in August 2016: Nuti: $2,586,286; Fishman: $717,224; Heyman: $760,843; Marquardt: $738,919; and Bayer $651,222. The entire amounts reported in 2014 are for EPP. Because he joined the Company in August, 2014, Mr. Bayer did not participate in the 2014 EPP. The amounts reported in 2013 are comprised of 2013 Annual Incentive Plan: Nuti: $630,000; and Fishman: $236,000, plus EPP: Nuti: $4,310,678; and Fishman: $526,446.

(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 was $(13,008). For more information regarding pension benefits, see the 2015 Pension Benefits Table on page 68 of this proxy statement.

(4) The amounts in this column consist of the aggregate incremental cost to the Company of the perquisites provided to the named executives, any insurance premiums paid by the Company with respect to life insurance for the benefit of the named executives and contributions made by the Company to the Savings Plan on behalf of the named executives. Additional details regarding the amounts are included in the All Other Compensation Table and Perquisites Table, both of which can be found below.

(5) Until his relocation to our U.S. Company effective March 1, 2015, Mr. Bayer was paid in Euros, which were converted to U.S. dollars for reporting purposes using the 2015 year-end exchange rate of 0.918070 USD/EUR. In 2014, Mr. Bayer was 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.

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All Other Compensation Table

This table shows the value of Company-paid perquisites and life insurance premiums, and Company matching contributions to the NCR Savings Plan, our 401(k) plan, on behalf of our named executives in 2015:

All Other Compensation 2015

Named Executive	Perquisites and Other Personal Benefits[(1)]	Insurance Premiums[(2)]	Company Contributions to Retirement / 401(k) Plans[(3)]	Total
William Nuti	$ 307,174	1,032	6,000	$ 314,206
Robert Fishman	17,000	593	6,000	23,593
Andrew Heyman	17,000	593		17,593
Frederick Marquardt	17,000	490	6,000	23,490
Michael Bayer	135,640	557	4,361	140,558

(1) This column shows the Company s aggregate incremental cost for the perquisites and other personal benefits described in the Perquisites Table below.

(2) This column shows the value of Company-paid premiums for life insurance for the benefit of our named executives.

(3) The column shows Company matching contributions to our 401(k) plan, which the Company also makes for our non-executive employee participants in that plan.

Perquisites Table

This table shows the aggregate incremental cost to the Company for perquisites for our named executives.

Perquisites 2015

Named Executive	Corporate Aircraft Usage[(1)]	Lodging[(2)]	Vehicle and Security[(3)]	Relocation[(4)]	Executive Medical Program[(5)]	Financial Planning Allowance[(6)]	Total
William Nuti	$ 206,395	9,498	74,281		5,000	12,000	$ 307,174
Robert Fishman	$				5,000	12,000	17,000
Andrew Heyman	$				5,000	12,000	17,000
Frederick Marquardt					5,000	12,000	17,000
Michael Bayer				118,640	5,000	12,000	135,640

(1) This column shows the Company s incremental cost for personal usage of the corporate aircraft. We calculated this incremental cost by determining the variable operating cost to the Company, including items such as fuel, landing and terminal fees, crew travel expenses and operational maintenance. Expenses determined to be less variable in nature, such as general administration, depreciation, and pilot compensation, were not included in this 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 for such travel are included in the Table.

(2) This column shows the Company s cost of providing Mr. Nuti occasional overnight hotel accommodations near our New York City office not in connection with Board meetings or monthly executive team meetings.

(3) This column shows Company payments for the Company-provided car and driver that the Company requires Mr. Nuti to use for security purposes.

(4) This column shows expenses paid on Mr. Bayer s behalf in connection with his relocation to our U.S. Company effective March 1, 2015.

(5) This column shows the Company-paid maximum amount available to named executives for medical diagnostic services under our Executive Medical Exam Program. Though some executives may not use the maximum, for privacy reasons we choose to disclose the maximum benefit (rather than the amount actually used).

(6) This column shows the Company-paid amounts for financial planning assistance under our Executive Financial Planning Allowance Program, which were earned by named executives in 2015 and paid in 2016.

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Agreements with Our Named Executives

Our named executives have agreements with the Company that describe, among other things, their initial base salaries, bonus opportunities and equity awards, as well as benefit plan participation. Changes to named executive compensation may be made from time to time, as noted in the Compensation Discussion & Analysis. The agreements generally are not updated to reflect these changes.

Agreements with Our CEO

We entered into an agreement with Mr. Nuti on July 29, 2005 when he became our President and Chief Executive Officer. This agreement, which was amended on July 26, 2006 and December 18, 2008, describes (among other things) his initial base salary, bonus opportunity and equity award, as well as benefit plan participation. The agreement also provides that in the event his employment terminates for any reason, Mr. Nuti is subject to an eighteen-month non-competition and non-solicitation provision, plus a confidentiality provision. The terms of the arrangement, which were determined through negotiation, provide that in the event we terminate his employment (other than for cause) or if he voluntarily terminates employment for good reason, he would receive the severance-related payments and benefits listed below. These amounts are conditioned upon Mr. Nuti signing a release of claims against us 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 target bonus opportunity under our MIP;
- A payment equal to a pro rata portion of the applicable award payout under our MIP 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.

Mr. Nuti s agreement defines cause and good reason by reference to our Change in Control Severance Plan (see page 70), except the following additional reasons qualify as good reason for him to terminate 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 agreement by the Company. In the event Mr. Nuti s employment terminates in connection with a change in control, he would receive payments and benefits under our Change in Control Severance Plan described on page 70, and not under the agreement. Further, if the Executive Severance Plan described on page 72 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 agreement.

On March 5, 2015, the Committee approved an Agreement for Mr. Nuti providing for continued participation in certain of the Company s medical benefit plans at such time in the future as he ceases to be employed by the Company. The Committee made this decision in recognition of his leadership of the Company s transformation to a software and solutions leader in consumer transaction technologies. Under this Agreement, Mr. Nuti will be eligible to participate in the Company s active employee medical plan until age 65 (on the same basis as the Company s active employees), and thereafter he will be eligible to participate in the Company s post-65 retiree Medicare supplement plan which provides a fixed annual subsidy for qualified Medicare supplement or other qualified medical expenses through a retiree reimbursement account.

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Agreements With Other Named Executives

We entered into an agreement with Mr. Fishman on March 17, 2010 when we offered him employment as Senior Vice President and Chief Financial Officer. The agreement describes (among other things) his initial base salary, bonus opportunity and equity award, as well as benefit plan participation. The agreement also provides that in the event his employment terminates for any reason, Mr. Fishman is subject to a twelve-month non-competition and non-solicitation provision, and a confidentiality provision.

We entered into an agreement with Mr. Heyman on July 11, 2011 when he was promoted to the position of Senior Vice President and General Manager, Hospitality. The agreement describes (among other things) his initial base salary, bonus opportunity and equity award, as well as benefit plan participation. The agreement also provides that Mr. Heyman is subject to a twenty-four month non-competition and non-solicitation provision, and a confidentiality provision.

We entered into an agreement with Mr. Marquardt on May 1, 2014 when he was promoted to his prior position of Executive Vice President, Services, Hardware Solutions & Enterprise Quality. The agreement describes (among other things) his base salary, bonus opportunity, and promotional equity award, as well as benefit plan participation.

We entered into agreements with Mr. Bayer in July 2014 when he was hired as our Senior Vice President and President, Retail Solutions Division. The agreements describe, among other things, his initial base salary, bonus opportunity and equity award, as well as benefit plan participation. We also entered into an agreement with Mr. Bayer effective March 1, 2015, in connection with his relocation and transfer to the U.S. The agreement describes (among other things) his base salary, bonus opportunity and long-term incentive program awards, as well as benefit plan participation, effective as of that date.

Grants of Plan-Based Awards Table

The table below shows the Committee s equity and non-equity incentive plan awards to our named executives in 2015. Equity awards were made under our Stock Plan. Non-equity awards were made under our Annual Incentive Plan (MIP and Customer Success Bonus) and EPP. These plans and related awards are described in the Compensation Discussion & Analysis.

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Grants of Plan-Based Awards 2015 ($)

ed Executive	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) Threshold	Target	Max	Estimated Future Payouts Under Equity Incentive Plan Awards(2) Threshold	Target	Max	All Other Stock Awards: Number of Units(3)	G Dat V of S Awa
n Nuti	Management Incentive Plan		350,000	1,400,000	4,200,000					
	Customer Success			100,000	100,000					
	Economic Profit Plan			2,586,286						
	Performance-Based RSU	02/23/15				50,167	200,669	301,004		6,0
	Time-Based RSU	02/23/15							66,890	2,0
Fishman	Management Incentive Plan		143,750	575,000	1,725,000					
	Customer Success			57,500	57,500					
	Economic Profit Plan			717,224						
	Performance-Based RSU	02/23/15				6,898	27,592	41,388		8
	Time-Based RSU	02/23/15							9,197	2
y Heyman	Management Incentive Plan		143,750	575,000	1,725,000					
	Customer Success			57,500	57,500					
	Economic Profit Plan			760,843						
	Performance-Based RSU	02/23/15				9,406	37,625	56,438		1,1
	Time-Based RSU	02/23/15							12,542	3
ck Marquardt	Management Incentive Plan		143,750	575,000	1,725,000					
	Customer Success			57,500	57,500					
	Economic Profit Plan			738,919						
	Performance-Based RSU	02/23/15				9,406	37,625	56,438		1,1
	Time-Based RSU	02/23/15							12,542	3

l Bayer	Management Incentive Plan		124,340	497,358	1,492,075					
	Customer Success			54,000	54,000					
	Economic Profit Plan			651,222						
	Performance-Based RSU	02/23/15				9,406	37,625	56,438		1,1
	Time-Based RSU	02/23/15							12,542	3

(1) This column shows potential award levels based on performance under our 2015 Annual Incentive Plan, which includes our Management Incentive Plan and our Customer Success bonus, plus our EPP. The Customer Success metric is make or miss. The EPP uses a formula to credit or debit participant accounts (Bonus Banks) with a percentage (not to exceed 5.0%) of our Economic Profit or loss each year, and pays out a portion of these Bonus Banks each year to the extent required by the EPP. Because awards are determined under a formula and the Committee does not set a target amount under the EPP, in accordance with SEC guidelines the target amounts shown in the Table are the amounts expected to be paid in August 2016. We have not included a maximum amount because the maximum percentage of Economic Profit creditable to any participant as a Bonus Credit for any performance period is 5% of Economic Profit.

(2) This column shows the threshold, target, and maximum shares that could be received for performance-based RSUs awarded in 2015.

(3) This column shows time-based RSUs granted to our named executives in 2015 under our Stock Plan.

(4) This column shows the grant date fair value of equity awards, as determined in accordance with FASB ASC Topic 718. The grant date fair values of performance-based RSU awards are based on the probable outcome of applicable performance conditions as of the grant date. These awards are subject to a two-year performance period and an additional time-based vesting condition.

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Outstanding Equity Awards at Fiscal Year End 2015 Table

Outstanding Equity Awards at Fiscal Year-End 2015

(for footnotes to this Table, see page 68)

		Option Awards[1]			Restricted Stock Unit Awards			
Named Executive	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of Stock Units That Have Not Vested (#)	Market Value of Stock Units That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Stock Units That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Stock Units That Have Not Vested ($)[2]
William Nuti	02/23/2015[3]				66,890	1,636,129		
	2/23/2015[4]						301,004	7,362,558
	02/24/2014[3]				37,403	914,877		
	02/24/2014[5]				48,923	1,196,649		
	02/25/2013[3]				46,642	1,140,863		
	02/25/2013[6]				141,044	3,449,946		
	02/23/2010	63,552	12.81	02/22/2020				
Robert Fishman	02/23/2015[3]				9,197	224,959		
	02/23/2015[4]						41,388	1,012,350
	02/24/2014[3]				5,610	137,221		
	02/24/2014[5]				7,339	179,506		
	02/25/2013[3]				6,063	148,301		
	02/25/2013[6]				18,337	448,511		
Andrew Heyman	02/23/2015[3]				12,542	306,777		
	02/23/2015[5]						56,438	1,380,461
	02/24/2014[3]				7,480	182,961		
	02/24/2014[5]				9,785	239,334		
	02/25/2013[3]				6,996	171,122		
	02/25/2013[6]				21,157	517,498		
Frederick Marquardt	02/23/2015[3]				12,542	306,777		
	02/23/2015[4]						56,438	1,380,461
	05/01/2014[7]				8,197	200,499		

	02/24/2014[3]				4,862	118,925		
	02/24/2014[5]				6,360	155,564		
	02/25/2013[3]				5,130	125,480		
	02/25/2013[6]				15,515	379,500		
	02/23/2010	2,311	12.81	2/22/2020				
	03/01/2008	14,096	22.16	2/28/2018				
	10/01/2007	3,905	23.93	9/30/2017				
Michael Bayer	02/23/2015[3]				12,542	306,777		
	02/23/2015[4]						56,438	1,380,461
	12/01/2014[7]				13,836	338,429		
	08/01/14[3]				19,200	469,632		

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(1) These awards, having vested 25% on each anniversary of the grant date, are all now fully vested.

(2) The market value was calculated by multiplying the number of shares shown in the table by $24.46, which was the closing market price of NCR common stock on December 31, 2015, the last trading day of our fiscal year.

(3) Cliff vesting on third anniversary of the grant date.

(4) Performance-based award with one year of a two-year performance period satisfied. Shown at maximum, or 150% of target. If performance goal achieved, vests on October 24, 2017.

(5) Performance-based award where the performance period is satisfied. Award vests on October 24, 2017.

(6) Performance-based award where the performance period is satisfied. Award vests 50% on October 25, 2016.

(7) Performance-based award with a one-year performance period. If performance goal achieved, vests 100% on third anniversary of grant date.

2015 Option Exercises and Stock Vested Table

This table shows 2015 vesting for performance-based and time-based restricted stock unit awards made to our named executives. No named executives exercised stock options in 2015.

Option Exercises and Stock Vested 2015

	Option Awards		Stock Awards	
Named Executive	**Number of Shares Acquired on Exercise**	**Value Realized on Exercise**	**Number of Shares Acquired on Vesting**	**Value Realized on Vesting**
William Nuti			251,654	$ 7,091,817
Robert Fishman			33,554	945,580
Andrew Heyman			41,942	1,181,959
Frederick Marquardt			34,036	965,473
Michael Bayer				

2015 Pension Benefits Table

The table below shows present value of Mr. Fishman s accrued benefit under the U.S. Pension Plan, in which Mr. Fishman participated as of December 31, 2015 as described below. Because Messrs. Nuti, Heyman, Marquardt and Bayer joined the Company after the U.S. Pension Plan closed to new entrants, they are not eligible for benefits under the U.S. Pension Plan.

U.S. Pension Plan Mr. Fishman Only

Our U.S. Pension Plan is a non-contributory, tax-qualified and broad-based pension plan that was frozen effective December 31, 2006. When this Plan was frozen, participants retained the pension

benefits they already had accrued. However, no additional benefits were earned after the effective date of the freeze. This Plan pays a basic monthly pension benefit and a cash balance benefit. The basic monthly benefit is a percentage of a participant s average plan compensation, determined based on years of benefit service through December 31, 2006 (when basic monthly benefit accruals were frozen). The cash balance benefit is 1.50% of pay per month through December 31, 2006, when cash balance benefit accruals were frozen. The cash balance account is credited with interest until a participant commences payment of pension benefits. Mr. Fishman is the only named executive who participates in this Plan. As of December 31, 2015, Mr. Fishman was not eligible for payment of any benefits under this Plan.

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German Pension Plan Mr. Bayer

Our German Pension Plan is a non-contributory, tax-qualified and broad-based pension plan that pays a monthly pension benefit equal to a percentage of a participant s average plan compensation,

determined based on years of benefit service. Mr. Bayer had a minimal benefit under this plan before March 1, 2015, when he transferred to our U.S. Company. As of March 1, 2015 Mr. Bayer s benefits and participation under that plan ceased.

Pension Benefits 2015

Named Executive	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit(1)
Robert Fishman	U.S. Pension Plan	13.6	$248,937

(1) For more on the assumptions used to quantify benefits under our U.S. Pension Plan, see Note 10 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2015.

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Potential Payments Upon Termination or Change in Control

The compensation and benefits that would have been provided to our named executives, in the event of various types of employment terminations on December 31, 2015, are described below and shown in the tables below. For more on these items, see the Retirement Benefits, Change in Control Arrangements and Severance Benefits sections in our Compensation Discussion and Analysis.

Termination Connected With Change in Control

Change in Control Severance Plan

Our Amended and Restated NCR Change in Control Severance Plan (the Change in Control Severance Plan) provides separation benefits to our named executives only if both a Change in Control occurs and employment ends in a qualifying termination. Amounts payable are based on executive Tier level, and payment is conditioned on the executive signing a restrictive covenant and release agreement with confidentiality and eighteen-month non-competition and non-solicitation provisions. Under this plan, if the Company terminates the executive s employment for reasons other than cause, death or disability, or if the executive resigns for good reason within two years after a change in control (or within six months before a change in control, if the executive can show that the termination occurred in connection with a change in control), then the Company or its successor must provide these benefits:

- A lump sum equal to 300 percent of annual base salary and target bonus under the Annual Incentive Plan for Tier I (Mr. Nuti), and 200 percent of annual base salary and target bonus under the Annual Incentive Plan for Tier II (all other named executives);

- A lump sum equal to a pro rata portion of the current year target bonus under the Annual Incentive Plan, based on the number of days in the year prior to the date of termination;

- Three years of medical, dental and life insurance benefits for the executive and dependents at the level in effect at termination for Tier I (Mr. Nuti), and two years of these benefits for Tier II (all other named executives);

- One year of outplacement assistance; and

- An excise tax gross-up, if applicable, only for individuals who were covered by the Change in Control Severance Plan before January 28, 2010.

Cause generally means the willful and continued failure to perform assigned duties or the willful engaging in illegal or gross misconduct that materially injures the Company. Good reason generally means: (i) reduction in duties or reporting requirements; (ii) reduction in base salary; (iii) failure to pay incentive compensation when due;

(iv) reduction in target or maximum incentive opportunities; (v) failure to continue the equity

award or other employee benefit programs; (vi) relocation of an executive s office over forty miles; or (vii) successor s failure to assume the Change in Control Severance Plan.

Change in control generally means any of the following: (i) third party acquisition of 30% or more of our stock; (ii) a change in our Board members such that the current incumbents and approved successors no longer make up a majority; (iii) a reorganization, merger, consolidation or sale or other disposition of substantially all of our assets in which any of the following is true the stockholders of NCR immediately before the change in control do not hold at least 50% of the combined enterprise, there is a 30%-or-more stockholder of the combined enterprise (other than as a result of conversion of the stockholder s pre-combination interest in the Company), or our Board members (immediately before the combination) do not make up a majority of the board of the combined enterprise; or (iv) stockholder approval of a complete liquidation.

Treatment of Equity

Stock Options and Time-Based RSUs. Under our Stock Plan and award agreements, the timing of any accelerated vesting for unvested stock options and time-based restricted stock units awarded to our named executives depends upon whether the acquirer assumes the awards in the change of control. If the acquirer does not assume the awards, they immediately vest and options become exercisable. If the acquirer does assume the awards, they vest and become exercisable if the Company terminates the named executive s employment within 24 months of the transaction for reasons other than cause or disability, or if the named executive is subject to our Change in Control Severance Plan or other applicable severance plan and resigns for good reason within that 24 months. Such options generally remain exercisable until the earlier of the first anniversary of employment termination or the option expiration date.

Performance-Based RSUs. Under our Stock Plan and award agreements, the timing for vesting of unvested performance-based RSUs depends upon whether the acquirer assumes the awards in the change of control. If the acquirer does not assume the awards, they vest immediately, based on:

- target performance, if less than half of the performance period is complete; or
- actual results, if at least half of the performance period is complete.

If the acquirer does assume the awards, they vest at the end of the original vesting period based on:

- target performance, if less than half of the performance period is complete; and
- actual results, if at least half of the performance period is complete.

If the Company terminates the named executive s employment within 24 months of the transaction for reasons other than cause or disability, or if the named executive is subject to our Change in Control Severance Plan or other applicable severance plan and resigns for good reason within that 24-month period, the awards will vest immediately based on:

- target performance, if less than half of the performance period is complete;
- actual results, if at least half of the performance period is complete.

Treatment of Economic Profit Plan Bonus Bank

Upon a change in control, named executives will be credited with a Bonus Credit, if any, for any performance period (or portion thereof) during which they participated in the EPP, but for which a Bonus Credit has not yet been received through the date of the change in control. Named executives generally will be paid, within 30 days after the change in control, a lump sum cash payment equal to their entire Bonus Banks without regard to the Cash Flow Test limitation or the $10 million payment limitation, as described in the 2015 LTI Awards: Economic Profit Plan section (starting on page 52).

Medical Benefits Agreement

An Agreement with Mr. Nuti provides for continued participation in certain of the Company s medical benefit plans at such time in the future as he ceases to be employed by the Company. Under this Agreement, Mr. Nuti will be eligible to participate in the Company s active employee medical plan until age 65 (on the same basis as the Company s active employees), and thereafter he will be eligible to participate in the Company s post-65 retiree Medicare supplement plan which provides a fixed

annual subsidy for qualified Medicare supplement or other qualified medical expenses through a retiree reimbursement account. For more details on this Agreement, see the Agreements with Our CEO section (starting on page 64).

Termination Not Connected With Change in Control

Severance Agreements and Severance Plan

Each named executive, with the exception of the CEO who has an individual severance agreement with the Company, is eligible for our Executive Severance Plan. Under this plan, if a named executive s employment is terminated by the Company without cause (other than death or disability as defined in the plan), we provide the executive a lump sum equal to one times base salary, up to eighteen months of COBRA medical, dental and vision coverage, and outplacement services under the Company s outplacement program in effect on the termination date.

Treatment of Equity

Under our Stock Plan, the treatment of outstanding equity awards when employment ends differs based on the form of equity award, the grant agreement in use at a given time, and the reason for the termination, as summarized below.

Performance-Based Restricted Stock Units. In general, unvested performance-based RUSs held by a named executive will vest pro rata at a calculated date (depending upon the year of issuance of the grant) if employment ends because of death, disability, retirement (with respect to retirement, only in the case of awards granted before 2012 and after 2014) or Company termination without cause. The pro rata portion is determined based on the length of service during the applicable vesting period and our achievement of performance

objectives. All unvested performance-based RSUs are forfeited if a named executive resigns or is terminated for cause.

Time-Based Restricted Stock Units. The treatment of unvested time-based RSUs held by our named executives if employment ends because of death, disability, retirement or Company termination without cause varies depending on the year of the grant. Our most recent agreements provide for pro rata vesting of unvested time-based RSUs upon such termination, and for awards granted before 2012 and after 2014, unvested RSUs will vest pro rata in the event of retirement. The pro rata portions are determined based on the length of service during the applicable vesting period. All unvested time-based RSUs are immediately forfeited if a named executive resigns or is terminated for cause.

Stock Options. In general, any unvested stock options held by our named executives vest and become exercisable if employment ends because of death or long-term disability. These options remain exercisable for specified periods tied to age at termination. Unvested options are forfeited if employment ends because of executive retirement or resignation, or Company termination without cause. All unexercised stock options, whether vested or unvested, are forfeited if employment terminates for cause.

In addition, all unvested equity awards are forfeited and deemed canceled, and the fair market value of previously vested awards is subject to a repayment obligation, if, during employment or the twelve months after employment, a named executive competes with the Company, induces or attempts to induce any of our employees to resign, or solicits business from firms or companies (including customers) with which the executive worked during the two years before termination. Equity awards are also forfeited if a named executive fails to keep the terms of the award agreement confidential, or engages, as determined by the Committee, in misconduct in connection with employment.

Treatment of Economic Profit Plan Bonus Bank

Resignation or Termination for Cause. A named executive s resignation or termination for cause results in immediate forfeiture of the entire Bonus Bank.

Termination without Cause, Resignation for Good Reason or Retirement. Subject to certain grandfathering rules specified in the EPP to comply with applicable tax rules under Section 409A of the Code, if a named executive s employment is terminated by the Company without cause or a named executive resigns for good reason or terminates employment by reason of retirement, the named executive will be credited with a Bonus Credit, if any, for any performance period during which the named executive participated in the EPP but for which the named executive has not yet received a credit. To the extent not already received, the named executive will receive a payment under the normal EPP rules on August 1 of the year of the named executive s termination. In addition, on August 1 of the year following the year of termination, the named executive will receive a payment equal to the product of: (i) the amount that would have been paid had the named executive remained employed through such August 1, multiplied by (ii) a fraction representing the portion of the year of termination during which the named executive was employed by the Company, provided that such payment will remain subject to the Cash Flow Test and the $10 million limit described above under the 2015 LTI Awards: Economic Profit Plan section (starting on page 52). These modified rules with respect to pro rata payments following termination are effective for Bonus Credits in 2015 and later. After the grandfathering period ends (which the Company anticipates to be in 2016 or 2017 for most participants), the termination-related payments should be substantially less than in similar scenarios prior to the stockholder-approved 2015 amendment and restatement of the EPP.