

NCR CORP
Form DEF 14A
March 01, 2007

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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| <input type="checkbox"/> Preliminary Proxy Statement | <input type="checkbox"/> Confidential, for Use of the Commission Only |
| <input checked="" type="checkbox"/> Definitive Proxy Statement | (as permitted by Rule 14a-6(e)(2)) |
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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):

- No fee required.
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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

**NOTICE OF 2007 ANNUAL MEETING
AND PROXY STATEMENT**

March 1, 2007

Dear Fellow NCR Stockholder:

I am pleased to invite you to attend NCR's 2007 Annual Meeting of Stockholders on April 25, 2007. The meeting will begin promptly at 9:00 a.m. local time in the Auditorium of NCR's World Headquarters Building, located at 1700 South Patterson Boulevard in Dayton, Ohio.

This booklet includes the formal notice of the meeting and the proxy statement. The proxy statement tells you more about the agenda and procedures for the meeting. It also describes how the Board operates and gives information about our director candidates and general compensation and corporate governance matters. A form of proxy for voting at the meeting and our annual report to stockholders for the year ended December 31, 2006 are included with this booklet.

Bill Nuti, NCR's Chief Executive Officer, and I look forward to sharing more information with you about NCR at the annual meeting. If you plan to attend, please complete and return to NCR the meeting reservation request form printed on the back of this booklet.

Your vote is important. Whether or not you plan to attend the annual meeting, I urge you to authorize your proxy as soon as possible so that your stock may be represented at the meeting.

Sincerely,

James M. Ringler

Chairman of the Board

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS OF NCR CORPORATION

Time:

9:00 a.m. local time

Date:

Wednesday, April 25, 2007

Place:

Auditorium at NCR's World Headquarters Building

1700 South Patterson Blvd.

Dayton, Ohio 45479

Purpose:

Elect three Class B directors to hold office for three-year terms and one Class A director to hold office for a period of time concurrent with the term of the remaining Class A directors, each until his or her respective successor is duly elected and qualifies;

Consider and vote upon the ratification of the appointment of the Company's independent registered public accounting firm for 2007; and

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

Other Important Information:

Registered stockholders of NCR common stock at the close of business on February 12, 2007, may vote at the meeting.

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

By order of the Board of Directors,

Peter M. Lieb

Senior Vice President,

General Counsel and Secretary

March 1, 2007

NCR Corporation

1700 South Patterson Blvd.

Dayton, Ohio 45479

PROXY STATEMENT

GENERAL INFORMATION

We are delivering these proxy materials to solicit proxies on behalf of the Board of Directors of NCR Corporation, a Maryland corporation (which we refer to as NCR, the Company, we, or us), for the 2007 Annual Meeting of Stockholders, including any adjournment or postponement thereof. The meeting will be held at 9:00 a.m. local time, on April 25, 2007, at the Company's World Headquarters Building at the address above.

Starting March 19, 2007, we are mailing this proxy statement, together with a notice of meeting, form of proxy and voting instruction card (proxy card) and the Company's annual report for the year ended December 31, 2006, to stockholders entitled to vote at the meeting.

Stockholders Entitled to Vote at the Meeting

If you are a registered stockholder at the close of business on the record date for the meeting, February 12, 2007, you are entitled to vote at the meeting. There were 179,312,878 shares of common stock outstanding on the record date. You will have one vote on each matter properly brought before the meeting for each share of NCR common stock you own.

Delivery of Voting Materials

As we did last year, we are taking advantage of the householding rules adopted by the U.S. Securities and Exchange Commission (SEC) that permit us to deliver only one set of disclosure materials (such as a proxy statement and annual report) to stockholders who share an address, unless otherwise requested. This allows us to reduce the expense of delivering duplicate disclosure materials and notice to our stockholders who may have more than one stock account or who share an address with another NCR stockholder. We will continue to send a separate proxy card for each stockholder residing at a shared address. If you are a registered stockholder (owning your stock directly and not through a nominee such as a bank or broker) who receives multiple copies of NCR's annual report and proxy statement, ***you are encouraged to indicate your consent to the householding of future investor communications by answering "yes" to the Householding Election question on your proxy card.***

If you own NCR common stock beneficially through a nominee (such as a bank or broker), information regarding householding of disclosure materials should be forwarded to you by your nominee.

Electronic Access to Proxy Materials and Annual Report

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This proxy statement and NCR's 2006 annual report to stockholders are available on the following Internet sites:

<http://investor.ncr.com/downloads/2007proxy.pdf> (proxy statement) and <http://investor.ncr.com/downloads/NCR2006AR.pdf> (annual report).

Most stockholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail.

If you are a registered stockholder, you can choose to access your disclosure materials electronically and save the Company the cost of producing and mailing these documents by following the instructions provided at <http://www.icsdelivery.com/ncr> or by following the prompt if you choose to authorize your proxy over the Internet. If you hold your NCR stock in a nominee name (such as through a bank or broker), please review the information provided by your nominee for instructions on how to elect to view future proxy statements and annual reports over the Internet.

How to Obtain a Separate Set of Voting Materials

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 annual report and proxy statement, you may write or call us at 1700 S. Patterson Boulevard, Attn: Investor Relations, Dayton, Ohio 45479 (phone: 937-445-5905), to request separate copies of these materials at no cost to you.

How to Vote Your Shares

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

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

How to Revoke Your Proxy

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

properly executing and delivering a later-dated proxy (including a telephone or Internet proxy authorization);

voting by ballot at the meeting; or

sending a written notice of revocation to the inspectors of election in care of the Corporate Secretary of the Company at the address listed above.

Voting at the Annual Meeting

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

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

The Board's Recommendations

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

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

FOR ratification of the appointment of the Company's independent registered public accounting firm for 2007 (see page 55).

Voting Shares Held in the NCR Savings Plan

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

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

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

Votes Required to Approve Each Item

The presence at the meeting (in person or by proxy) of the holders of at least a majority of the shares outstanding on the record date, the close of

business on February 12, 2007, is necessary to have a quorum allowing us to conduct business at the meeting. A majority of the votes cast (in person or by proxy) is required to elect directors and to ratify the appointment of our independent registered public accounting firm. Broker non-votes and abstentions are not votes cast under Maryland law and, therefore, will have no effect on the outcome of the vote for any item. Broker non-votes occur when a broker returns a properly executed proxy but does not vote on a particular item because the broker does not have the authority to vote on a proposal because it has not received voting instructions from the beneficial owner. We do not expect that brokers will lack authority to vote on either of the proposals that will be considered at the meeting.

Annual Meeting Admission

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

We will include the results of the votes taken at the meeting in NCR's next quarterly report filed with the SEC. You may also find information on how to obtain a full transcript of the meeting in that quarterly report or by writing to NCR's Corporate Secretary at NCR Corporation, 1700 South Patterson Blvd., Dayton, Ohio 45479.

2-for-1 Stock Split

On January 21, 2005, the Company completed a 2-for-1 stock split of the Company's common stock in the form of a 100% stock dividend for stockholders of record on December 31, 2004 (the Stock Split). All references to numbers of shares and per share amounts in this proxy statement reflect the Stock Split.

Uncertificated Shares

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

STOCK OWNERSHIP

Ownership by Officers and Directors

This table shows the NCR common stock beneficially owned as of January 31, 2007 by each executive officer named in the Summary Compensation Table found below on page 30, and each non-employee director and nominee and the current directors and current executive officers as a group. As of that date, the then current directors and executive officers as a group beneficially owned 1.2% of NCR stock. In addition to the shares shown in this table, directors hold the restricted stock units which have not yet vested listed in footnote 6 following the table.

<u>Name</u>	<u>Total Shares Beneficially Owned(1)(2)</u>	<u>Shares Covered by Options(3)</u>
<u>Current Non-Employee Directors</u>		
Edward P. Boykin, Director	47,541	20,000
Gary Daichendt, Director	3,168	0
Mark Frissora, Director(4)	37,593	16,000
Linda Fayne Levinson, Director	104,938	78,946
Victor L. Lund, Director	39,628	24,000
C.K. Prahalad, Director	110,746	78,946
James M. Ringler, Director	94,463	64,610
William Stavropoulos, Director	101,080	62,000
<u>Current Named Executive Officers</u>		
William R. Nuti, Director and Officer	245,701	103,913
Peter Bocian, Officer(5)	91,656	52,122
Malcolm Collins, Officer	49,407	17,717
Michael Koehler, Officer	114,200	28,710
Christine Wallace, Officer	131,351	91,159
Current Directors and Executive Officers as a Group (19 persons)	2,215,694	768,923

- (1) Some of NCR's executive officers and directors own fractional shares of NCR stock. For purposes of this table, all fractional shares have been rounded to the nearest whole number. This column also includes the following shares granted to directors that were deferred pursuant to such directors' election until the time of the respective director's departure from the Board: Mr. Boykin, 19,541 shares; Mr. Ringler, 19,879 shares; Mr. Stavropoulos, 20,377 shares; and Ms. Levinson, 3,590 shares.
- (2) This column includes shares held by NCR's executive officers and directors who have entered into a standard brokerage account form with Fidelity which includes a provision for the pledge of NCR shares owned by such executive officer or director. The pledge applies to all shares listed for each individual in the table above which are held in such individual's Fidelity brokerage account.
- (3) This column shows those shares the officers and directors or their family members have the right to acquire through stock option exercises within 60 days after January 31, 2007. These shares are also included in the Total Shares Beneficially Owned column.
- (4) Includes an aggregate of 80 shares held by Mr. Frissora's son as to which he disclaims any beneficial interest.
- (5) Includes 1,322 shares of restricted stock and 9,365 shares covered by exercisable options held by Mr. Bocian's wife.
- (6) In addition to the shares listed in the table, directors hold the following number of restricted stock units which have not yet vested: Messrs. Boykin, Lund and Ringler, 1,486 (the receipt of which each of the directors has elected to defer); Mr. Daichendt, 603; and Messrs. Frissora, Prahalad and Stavropoulos and Ms. Levinson, 373.

Other Beneficial Owners of NCR Stock

To the Company's knowledge, the following stockholders beneficially own more than 5% of the Company's outstanding stock.

<u>Name and Address of Beneficial Owner</u>	<u>Total Number of Shares</u>	<u>Percent of Class</u>
FMR Corp 82 Devonshire Street Boston, Massachusetts 02109	22,077,310(1)	12.39%
Dodge & Cox 555 California Street, 40 th Floor San Francisco, California 94104	13,695,990(2)	7.7%

(1) Information is based upon a Schedule 13G/A filed by FMR Corp. (FMR) and Edward C. Johnson 3d, Chairman of FMR, with the SEC on February 14, 2007. FMR reports ownership of shares held by its direct and indirect subsidiaries, including Fidelity Management & Research Company (Fidelity), Fidelity Management Trust Company, Strategic Advisers, Inc., Pyramis Global Advisors Trust Company, Pyramis Global Advisors, LLC and Fidelity International Limited. These FMR entities have sold dispositive power over all 22,077,310 shares and sole voting power with respect to 1,984,089 shares.

Fidelity is the beneficial owner of 20,186,681 of the shares shown above as a result of acting as investment adviser to various investment companies (Funds). Edward C. Johnson 3d, FMR, through its control of Fidelity, and the Funds each has sole power to dispose of the 20,186,681 shares owned by the Funds.

(2) Information is based upon the Schedule 13G/A, dated February 8, 2007, filed by Dodge & Cox with the SEC. According to this filing, Dodge & Cox, as an investment adviser, has sole power to dispose or direct the disposition (dispositive power) of 13,695,900 of these shares, has sole power to vote or to direct the vote (voting power) over 12,832,590 shares, and has shared voting power over 141,900 shares.

ELECTION OF DIRECTORS

(Item 1 on Proxy Card)

The Board of Directors is currently divided into three classes. Directors hold office for staggered terms of three years (or less if they are filling a vacancy) and until their successors are elected and qualify. One of the three classes is elected each year to succeed the directors whose terms are expiring. As of the 2007 annual meeting, the terms for the directors in Classes A, B and C of the Board of Directors expire in 2009, 2007, and 2008, respectively.

Messrs. Boykin and Lund and Ms. Levinson are Class B Directors whose current terms are expiring at the 2007 annual meeting. Messrs. Boykin and Lund and Ms. Levinson have been nominated for reelection through the 2010 annual meeting of stockholders and until their successors are elected and qualify. Mr. Daichendt is a Class A Director who was elected by the Board of Directors following the 2006 annual meeting of stockholders. NCR's Chief Executive Officer identified and recommended Mr. Daichendt to the Committee on Directors and Governance as a candidate for such position and that committee subsequently recommended to the Board of Directors that he be elected a director of the Company to serve as a Class A director until the 2007 annual meeting. Mr. Daichendt has been nominated for reelection through the 2009 annual meeting of stockholders and until his successor is elected and qualifies.

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

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

Class B Current Terms Expiring in 2007 and New Terms Expiring in 2010:

Edward P. Pete Boykin, 68, served as the 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. From 1998 to 2001, he held a number of senior management positions at CSC, including group president of its Financial Services Group from 1999 to 2001 and vice president of its Technology Management Group from 1998 to 1999. From 1996 to 1998, Mr. Boykin was President of The Pinnacle Alliance, a CSC-managed organization providing information technology outsourcing and other services to J.P. Morgan. Mr. Boykin became a director of NCR on June 5, 2002.

Linda Fayne Levinson, 65, is Chair of the Board of Directors of Vendare Media Corporation, an online media and marketing company providing solutions for brand marketers, direct marketers and web publishers, a position she has held since July 2006. She is also Chair of the Board of Directors of X1 Technologies, Inc., an Idealab company providing secure enterprise desktop search solutions, a position she has held since November 2006. From February 2006 through July 2006, Ms. Levinson was Interim Chief Executive Officer of Vendare Media. Ms. Levinson was a partner at GRP Partners, a private equity investment fund investing in start-up and early-stage retail and electronic commerce companies, from 1997 to December 2004. From 1994 to 1999, she was President of Fayne Levinson Associates, an independent consulting firm. Ms. Levinson has also served as an executive with Creative Artists Agency Inc., as a partner in the merchant banking operations of Alfred Checchi Associates, Inc., as a Senior Vice President of American Express and as a Partner at McKinsey & Co. She is also a director of DemandTec, Inc., Jacobs Engineering Group Inc., Ingram Micro Inc., and The Western Union Company. Ms. Levinson became a director of NCR on January 1, 1997.

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Victor L. Lund, 59, has served as non-executive Chairman of the Board of DemandTec, Inc., a SAS demand forecasting company, since December 2006. Prior to this

position, Mr. Lund served as the non-executive Chairman of the Board of Mariner Health Care, Inc., a long-term health care services company, from May 2002 to December 2004. He served as Vice Chairman of Albertson's, Inc., a food and drug retailer, from June 1999 until June 2002. Mr. Lund served as Chairman of the Board of American Stores Company from 1995 until its acquisition by Albertson's in June 1999, and as Chief Executive Officer of American Stores Company from 1992 until 1999. He was President of American Stores Company from 1992 until 1995. Prior to joining American Stores Company in 1977, Mr. Lund was a practicing certified public accountant. He also serves on the boards of Borders Group, Inc., Del Monte Foods Company, and Service Corporation International. Mr. Lund became a director of NCR on April 23, 2003.

Class A Current Term Expiring in 2007 and New Term Expiring in 2009:

Gary Daichendt, 55, is the lead investor in Howie's Game Shack LLC, a gaming center company, and the commercial real estate firm, TheoryR Properties LLC. He served as President and Chief Operating Officer of Nortel Networks, a global supplier of communication equipment, from March 2005 to June 2005. Prior to that and until his retirement in December 2000, Mr. Daichendt served as Executive Vice President, Worldwide Operations for Cisco Systems, a manufacturer of communications and information technology networking products. Mr. Daichendt joined Cisco in 1994 as Vice President, Intercontinental Operations, and soon became Senior Vice president, Sales. In 1998 he became Executive Vice President, Worldwide Operations. He became a director of NCR on April 26, 2006.

Directors Whose Terms of Office Continue

Class A Current Terms Expiring in 2009:

William R. Nuti, 43, is our President and Chief Executive Officer. Before joining NCR in August 2005, Mr. Nuti served as President and Chief Executive Officer of Symbol Technologies, Inc., an information technology company (Symbol Technologies). Prior to that, he was Chief Operating Officer of Symbol Technologies. Mr. Nuti joined Symbol Technologies in 2002 following 10 years at Cisco Systems where he held positions of increasing responsibility, advancing to the dual role of senior vice president of the company's Worldwide Service Provider Operations and U.S. Theater Operations. Prior to his Cisco experience, Mr. Nuti held sales and management positions at IBM, Netrix Corporation and Network Equipment Technologies. Mr. Nuti became a director of NCR on August 7, 2005.

James M. Ringler, 61, is Chairman of the Board of NCR, a position he has held since July 25, 2005. From March 30, 2005 to August 7, 2005, Mr. Ringler served as NCR's President and Interim Chief Executive Officer. He served as Vice Chairman of Illinois Tool Works Inc., a multi-billion dollar diversified manufacturer of highly engineered components and industrial systems, from 1999 until 2004. Prior to joining Illinois Tool Works, from 1997 to 1999, Mr. Ringler was Chairman of Premark International, Inc. (Premark), a large, diversified manufacturing company serving the food equipment, builder products and consumer durable markets. He also served as Premark's Chief Executive Officer from 1995 to 1999, and prior to that as its President and Chief Operating Officer. Mr. Ringler was a director of Premark from 1990 until it merged with Illinois Tool Works in 1999. Mr. Ringler serves as a director of Autoliv Inc., The Dow Chemical Company, FMC Technologies, Inc., and Corn Products International, Inc. He joined NCR's Board of Directors on November 1, 2003.

Class C Terms Expiring in 2008:

Mark P. Frissora, 51, became Chief Executive Officer of The Hertz Corporation, a car and equipment rental company, on July 19, 2006, and became Chairman of the Board of The Hertz Corporation on January 1, 2007. Prior to becoming Chief Executive officer of The Hertz Corporation, Mr. Frissora was Chairman and Chief Executive Officer of Tenneco Inc. (Tenneco), a manufacturer of automotive emission control and ride control products and systems, from March 2000, after serving as its President and Chief Executive Officer from November 1999 until

March 2000. From March

to November 1999, he was President, Worldwide Operations, at Tenneco's automotive subsidiary, and also served as that company's Senior Vice President and General Manager, Worldwide Original Equipment, from 1998 until March 1999. Mr. Frissora became a director of NCR on June 5, 2002.

C.K. Prahalad, 65, is the Paul and Ruth McCracken Distinguished University Professor at The Ross School of Business, University of Michigan. Mr. Prahalad is a nationally recognized specialist in corporate strategy and the role of top management in large, diversified, multi-national corporations. From 2000 to 2002, he was Chairman of PRAJA, Inc., a software company located in San Diego, California. He is also a director of Hindustan Lever Limited, India, and World Resources Institute, Washington, D.C., a non-governmental organization. Mr. Prahalad became a director of NCR on January 1, 1997.

William S. Stavropoulos, 67, retired as director and Chairman of the Board of Directors of The Dow Chemical Co. (Dow Chemical), a chemical and plastics producer, on April 1, 2006. He had served in such capacity since November 2000. Mr. Stavropoulos was the President and Chief Executive Officer of Dow Chemical from 1995 to 2000 and was reappointed to that position in December 2002. In November 2003, Mr. Stavropoulos relinquished the position as President and in November 2004 relinquished the position as Chief Executive Officer. In addition, he is a director of BellSouth Corporation, Chemical Financial Corporation, and Maersk Inc., and is a trustee of the Fidelity Group of Funds. Mr. Stavropoulos became a director of NCR on January 1, 1997.

ADDITIONAL INFORMATION CONCERNING THE BOARD OF DIRECTORS

The Board of Directors oversees the overall performance of the Company on your behalf. Members of the Board stay informed of the Company's business through discussions with the Chief Executive Officer and other members of management and staff, by reviewing materials provided to them, and by participating in regularly scheduled Board and committee meetings.

Corporate Governance

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

To help discharge its responsibilities, the Board of Directors has adopted Corporate Governance Guidelines on significant corporate governance issues. These guidelines address, among other things, such matters as director independence, committee membership and structure, meetings and executive sessions, and director selection, retirement, and training. The Board's Corporate Governance Guidelines are found on NCR's corporate governance website at <http://www.ncr.com/corpgovernance/guidelines.htm>. You may obtain a written copy of these guidelines, or any of the Board's committee charters, by writing to NCR's Corporate Secretary at the address listed on page 3 of this proxy statement. The Board's independent directors meet regularly in executive session and, as provided in the Corporate Governance Guidelines, the Board of Directors has selected the Chairman of the Board to preside at its executive sessions during 2007.

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

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

has not been affiliated with or an employee of the Company's present or former independent auditors or its affiliates within at least the past five years;

cannot have been in the past five years 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;

has not, directly or indirectly, had a material relationship (such as being an executive officer, director, partner, or significant stockholder) with a significant customer or supplier of the Company, and in no case may the director be an executive officer or employee of another company that in the previous three years made payments to or received payments from the Company in a fiscal year exceeding 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 as an executive officer by another corporation that has (or had during the past five years) an executive officer of the Company on its board of directors;

has not for the past five years received any 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; and

is not and has not been for the past five years, a member of the immediate family of (i) an officer of the Company, (ii) an individual who receives more than \$100,000 per year in direct compensation from the Company, other than compensation for prior service that is not contingent on continued service, (iii) an individual affiliated with or an employee of the Company's present or former independent auditors or its affiliates, (iv) an individual who is an executive officer of another company 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.

NCR's Board of Directors has determined that all of the Company's non-employee directors and nominees, namely Edward (Pete) Boykin, Gary Daichendt, Mark Frissora, Linda Fayne Levinson, Victor Lund, C.K. Prahalad, James Ringler and William Stavropoulos, meet the New York Stock Exchange listing independence standards and the Company's independence standards. In evaluating and determining the independence of Mr. Frissora, the Board of Directors considered the relationship between NCR and The Hertz Corporation. Mr. Frissora is the Chairman of the Board and Chief Executive Officer of The Hertz Corporation, which is the primary supplier of rental cars to NCR. There were no other transactions, relationships or arrangements that required review by the Board for purposes of determining director independence.

The Board met 7 times last year. In 2006, all of the directors attended 75% or more of the total number of meetings of the Board and the committee(s) on which he or she serves. In addition, NCR's directors have a practice of attending the Company's annual meeting of stockholders each year. All of the directors who had been elected at the time of the meeting attended the Company's 2006 annual meeting of stockholders. There is no formal policy regarding director attendance at the annual meeting of stockholders.

Committees of the Board

NCR's Board of Directors has four committees: the Audit Committee, the Compensation and Human Resource Committee, the Committee on Directors and Governance, and the Executive Committee.

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

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

reviews and discusses with NCR's independent registered public accounting firm their quality control procedures and the Company's critical accounting policies and practices;

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regularly reviews the scope and results of audits performed by the Company's independent registered public accounting firm and internal auditors;

meets with management to review the adequacy of the Company's internal control framework and its financial, accounting, reporting and disclosure control processes;

reviews the Company's periodic SEC filings and quarterly earnings releases;

reviews and discusses with the Company's Chief Executive and Financial Officers the procedures they followed to complete their certifications in connection with NCR's periodic filings with the SEC; and

discusses management's plans with respect to the Company's major financial risk exposures.

The Audit Committee has four members, Edward (Pete) Boykin, Gary Daichendt, Victor Lund and C.K. Prahald, each of whom is independent and financially literate as determined by the Board under applicable SEC and New York Stock Exchange (NYSE) standards. In addition, the Board has determined that Messrs. Boykin and Lund are audit committee financial experts, as defined under SEC regulations. No member of the committee may receive any compensation, consulting, advisory or other fee from the Company, other than Board compensation described below under the caption Compensation of Directors, as determined in accordance with applicable SEC and NYSE rules. Members serving on the Audit Committee are limited to serving on two other audit committees of public companies, unless the Board of Directors evaluates and determines that these other commitments would not impair his or her effective service to the Company.

A more detailed discussion of the committee's mission, composition, and responsibilities is contained in the Audit Committee Charter, which was adopted as revised by the Board of Directors in October 2006. A copy of this charter can be found on NCR's corporate governance website at http://www.ncr.com/corpgovernance/corpgov_board_charters.htm.

Compensation and Human Resource Committee: This committee reviews and approves the Company's total compensation goals, objectives and programs covering executive officers and key management employees as well as the competitiveness of NCR's total executive officer compensation practices. The committee also:

evaluates and reviews the performance levels of NCR's executive officers and determines base salaries and equity and incentive awards for such officers;

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

reviews and approves NCR's executive compensation plans;

monitors NCR's compliance with the Sarbanes-Oxley Act of 2002 relating to 401(k) plans and loans to directors and officers, NYSE rules relating to approval of equity compensation plans and all other applicable laws affecting employee compensation and benefits;

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

oversees NCR's plans for management succession and development.

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

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This committee has three members, Linda Fayne Levinson, James Ringler and Mark Frissora, each of whom the Board of Directors has determined meet the New York Stock Exchange listing independence standards and the Company's independence standards. However, Mr. Ringler does not qualify as an "outside director" as defined in Section 162(m) of the Internal Revenue Code. Mr. Ringler does not participate in committee votes pertaining to plan design or compensation decisions under plans intended to be compliant with Section 162(m).

This committee is authorized to and has directly engaged its compensation consultant, Frederic W. Cook & Co., to review the Company's long-term incentive program, the Management Incentive Plan and other key programs related to the compensation of executive officers. In 2006, the committee directed its consultant to conduct market studies, review publicly available market data and be readily available for consultation with this committee and its members regarding such matters.

A more detailed discussion of the committee's mission, composition, and responsibilities is contained in the Compensation and Human Resource Committee Charter, which was adopted as revised by the Board of Directors in January 2007. A copy of this charter can be found on NCR's corporate

governance website at http://www.ncr.com/corpgovernance/corpgov_board_charters.htm.

Compensation and Human Resource Committee Interlocks and Insider Participation: Mr. Ringler served as President and Interim Chief Executive Officer from March 30, 2005, to August 7, 2005.

Committee on Directors and Governance: This committee is responsible for reviewing the Board's corporate governance practices and procedures and the Company's ethics and compliance program, and:

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

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

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

This committee is authorized to and directly engaged Watson Wyatt as its consultant to review the Company's director compensation program. In 2006, the committee directed its consultant to conduct market studies, review publicly available market data concerning various elements of potential director compensation, including retainer and meeting fees and long-term incentive payments, and be readily available for consultation with this committee and its members regarding such matters.

The Committee on Directors and Governance is composed entirely of independent directors, Linda Fayne Levinson, C.K. Prahalad and William Stavropoulos.

Selection of Nominees for Directors

Your directors and the Committee on Directors and Governance are responsible for recommending candidates for membership to the Board. The director selection process is described in detail in the Board's Corporate Governance Guidelines, which are posted on the Company's corporate governance website at <http://www.ncr.com/corpgovernance/guidelines.htm>. In determining candidates for nomination, the Committee on Directors and Governance will seek the input of the Chairman of the Board and the Chief Executive Officer and will consider individuals recommended for Board membership by the Company's stockholders in accordance with the Company's Bylaws and applicable law. From time to time, the committee may engage outside search firms to assist it in identifying and contacting qualified candidates. In 2006, the Committee on Directors and Governance engaged Spencer Stuart to assist in identifying qualified candidates for the open Class A Director position. Although Spencer Stuart identified potential candidates, the committee ultimately selected a candidate, Mr. Daichendt, who had been recommended to the committee by the Company's Chief Executive Officer. All candidates are evaluated by the committee using the qualification guidelines included as part of the Board's Corporate Governance Guidelines. As part of the selection process, the Committee on Directors and Governance and the Board of Directors examine candidates' business skills and experience, personal integrity, judgment, and ability to devote the appropriate amount of time and energy to serving the best interests of stockholders. The Board and the Committee on Directors and Governance are committed to finding proven leaders who are qualified to serve as NCR directors.

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Stockholders wishing to recommend individuals for consideration as directors should contact the Committee on Directors and Governance by writing the Company's Corporate Secretary at NCR Corporation, 1700 South Patterson Blvd., Dayton, OH 45479. Recommendations by stockholders that are made in this manner will be evaluated in the same manner as other candidates. Stockholders who want to nominate directors for election at NCR's next annual meeting of stockholders must follow the procedures described in the Company's Bylaws, which are available on our corporate governance website at http://www.ncr.com/corpgovernance/corpgov_bylaws.htm. See "Procedures for Stockholder Proposals and Nominations" on page 56 of this proxy statement for further details regarding how to nominate directors.

The directors nominated by the Board of Directors for election at the 2007 annual meeting were recommended by the Committee on Directors and Governance. All of these candidates for election are currently serving as directors of the Company and have been determined by the Board to be independent.

A more detailed discussion of the committee's mission, composition, and responsibilities is contained in the Committee on Directors and Governance Charter, which was adopted by the Board of Directors as amended in January 2007. A copy of this charter can be found on NCR's corporate governance website at http://www.ncr.com/corpgovernance/corpgov_board_charters.htm.

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

Board Committee Membership

Name	Compensation and			Committee on Directors and Governance
	Executive Committee	Human Resource Committee	Audit Committee	
James Ringler	X*	X		
Edward (Pete) Boykin	X		X*	
Gary Daichendt			X	
Mark Frissora		X		
Linda Fayne Levinson	X	X*		X
Victor Lund			X	
William R. Nuti	X			