



Proxy Statement for the
2014 Annual Meeting of Stockholders
and 2013 Annual Report

Notice of
2014 Annual Meeting
and Proxy Statement

Report on
Form 10-K



NOTICE OF 2014 ANNUAL MEETING
AND PROXY STATEMENT

March 10, 2014

Dear Fellow NCR Stockholder:

I am pleased to invite you to attend NCR's 2014 Annual Meeting of Stockholders that will be held on April 23, 2014, at 9:00 a.m. Eastern Time, in the Auditorium at NCR Corporation's office located at 3097 Satellite Boulevard, Duluth, Georgia 30096.

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

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

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

Sincerely,

William R. Nuti
Chairman of the Board,
Chief Executive Officer and President

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS OF NCR CORPORATION

Time:

9:00 a.m. Eastern Time

Date:

Wednesday, April 23, 2014

Place:

NCR Corporation
Auditorium
3097 Satellite Boulevard
Duluth, Georgia 30096

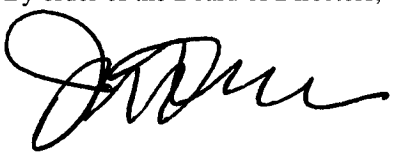
Purpose:

- Elect two Class C directors identified in this proxy statement to hold office for three-year terms or until his or her respective successor is duly elected and qualified;
- Consider and vote upon the ratification of the appointment of the Company's independent registered public accounting firm for 2014;
- Consider and hold an advisory vote to approve executive compensation ("say on pay") as disclosed in these proxy materials;
- Consider and vote upon a directors' proposal to amend the charter of the Company to eliminate the classification of the Board of Directors of the Company and provide for annual elections of all directors elected at or after the Company's 2015 Annual Meeting of Stockholders; and
- Transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.

Other Important Information:

- Registered holders of NCR common stock at the close of business on February 11, 2014 may vote at the meeting.
- Your shares cannot be voted unless they are represented by proxy or in person by the record holder at the meeting. **Even if you plan to attend the meeting, please authorize your proxy.**

By order of the Board of Directors,



Jennifer M. Daniels
Senior Vice President, General Counsel and Secretary

March 10, 2014

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on April 23, 2014

This proxy statement and NCR's 2013 Annual Report on Form 10-K are available at www.proxyvote.com.

NCR Corporation
3097 Satellite Boulevard
Duluth, Georgia 30096

PROXY STATEMENT

GENERAL INFORMATION

These materials are intended to solicit proxies on behalf of the Board of Directors of NCR Corporation, a Maryland corporation (which we refer to as "NCR," the "Company," "we," or "us"), for the 2014 Annual Meeting of Stockholders ("Annual Meeting"), including any adjournment or postponement thereof. The meeting will be convened at 9:00 a.m. Eastern Time on April 23, 2014, in the Auditorium at NCR's office at 3097 Satellite Boulevard, Duluth, Georgia 30096.

Delivery of Proxy Materials

We are providing access to our proxy materials (including this proxy statement, together with a notice of meeting and the Company's annual report) on the Internet pursuant to rules adopted by the Securities and Exchange Commission ("SEC"). Accordingly, beginning on or about March 10, 2014, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to stockholders entitled to vote at the meeting. You may also request a printed copy of the proxy materials by mail. If you do so, these materials will also include the proxy card for the Annual Meeting. To request a printed copy of the proxy materials, please contact us via the Internet (www.proxyvote.com), telephone (1-800-579-1639) or by email (sendmaterial@proxyvote.com) on or before April 9, 2014. If requesting material by email, please send a blank email with the 12-digit Control Number (located on the Notice) in the subject line. Requests, instructions and other inquiries will NOT be forwarded to your investment advisor.

All stockholders will have the ability to access, beginning on March 10, 2014, the proxy materials on the website referred to in the Notice or to request to receive a printed copy of the proxy materials at no charge. If you request a printed copy of the proxy materials, we will mail them to you within three business days of your request, at no cost to you. The Notice includes instructions on how to access the electronic proxy materials, as well as instructions for requesting a printed copy. In addition, stockholders may permanently elect to receive future proxy materials in either electronic form by email or printed form by mail. If you make such an election, we will continue to send you the materials pursuant to your election until you notify us otherwise.

We are taking advantage of the householding rules adopted by the SEC that permit us to deliver only one Notice to stockholders who share an address, unless otherwise requested. This allows us to reduce the expense of delivering duplicate Notices to our stockholders who may have more than one stock account or who share an address with another NCR stockholder. If you have multiple NCR common stock record accounts and/or share an address with a family member who is an NCR stockholder and have received only one Notice, you may write us at 250 Greenwich Street, 35th Floor, New York, NY 10007 or call us at 1-800-225-5627 to request separate copies of the proxy materials at no cost to you. If you have received only one copy of the Notice and you do not wish to participate in the householding program or if you have received multiple copies of the Notice and you do wish to participate in the householding program, please call 1-800-542-1061 to "opt-in", "opt-out" or revoke your consent.

Stockholders Entitled to Vote at the Meeting

If you were a registered stockholder at the close of business on the record date for the meeting, February 11, 2014, you are entitled to vote at the meeting. There were 166,703,813 shares of common stock outstanding on the record date. You will have one vote on each matter properly brought before the meeting for each share of NCR common stock you own.

Electronic Access to Proxy Materials and Annual Report

The Notice includes instructions regarding how to:

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

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

How to Vote Your Shares

Your vote is important. Your shares can be voted at the Annual Meeting only if you are present in person or represented by proxy. Even if you plan to attend the meeting, we urge you to authorize your proxy in advance. We encourage you to authorize your proxy electronically by going to the www.proxyvote.com website or by calling the toll-free number (for residents of the United States and Canada) listed on your proxy card. Please have your proxy card in hand when going online or calling. ***If you authorize your proxy electronically, you do not need to return your proxy card.*** If you received proxy materials by mail and choose to authorize your proxy by mail, simply mark your proxy card, and then date, sign and return it in the postage-paid envelope provided so it is received no later than April 22, 2014.

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

How to Revoke Your Proxy

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

- voting again on the Internet or by telephone (only the latest Internet or telephone proxy will be counted);
- properly executing and delivering a later-dated proxy card;
- voting by ballot at the meeting; or
- sending a written notice of revocation to the inspectors of election in care of the Corporate Secretary of the Company at 250 Greenwich Street, 35th Floor, New York, NY 10007 so it is received no later than April 22, 2014.

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 your bank or broker) to be able to vote at the meeting.

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

Voting Shares Held in the NCR Savings Plan

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

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

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

Quorum for the Meeting; Votes Required to Approve Each Item

The presence at the meeting (in person or by proxy) of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting as of the close of business on February 11, 2014 constitutes a quorum allowing us to conduct business at the meeting. A majority of all the votes cast (in person or by proxy) is required to elect directors, to ratify the appointment of our independent registered public accounting firm and to approve the non-binding advisory vote on executive compensation, while 80% of the shares of the outstanding stock entitled to vote generally in the election of directors is required in order to approve the directors' proposal to amend the charter of the Company to eliminate the classification of the Board of Directors of the Company and provide for annual elections of all directors elected at or after the Company's 2015 Annual Meeting of Stockholders. Under Maryland law, abstentions and broker "non-votes" will not be counted as votes cast and will have no effect on the outcome of the vote for the above items. A broker "non-vote" occurs when a broker returns a properly executed proxy but does not vote on a particular proposal because the broker does not have the discretionary authority to vote on the proposal and has not received voting instructions from the beneficial owner regarding the proposal. Under the rules of the New York Stock Exchange ("NYSE"), brokers have the discretionary authority to vote on the ratification of our independent registered public accounting firm, but not for the election of our directors, the non-binding advisory vote on executive compensation, or the directors' proposal to amend the charter of the Company to eliminate the classified Board of Directors of the Company and provide for annual elections of all directors elected at or after the Company's 2015 Annual Meeting of Stockholders.

Annual Meeting Admission

You may attend the meeting if you are a registered stockholder, a proxy for a registered stockholder, or a beneficial owner of NCR common stock with evidence of ownership. **If you plan to attend the meeting in person, please complete and return to NCR's Corporate Secretary, by mail, the meeting reservation request form provided on the Internet, or, if you received the proxy materials by mail, the form provided on page 77 of this proxy statement. If you are not a registered stockholder, please include evidence of your ownership of NCR stock with the form (such as an account statement showing you own NCR stock as of the record date).** If you do not have a reservation for the meeting, you may still attend if we can verify your stock ownership at the meeting.

Annual Meeting Voting Results

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

The Board's Recommendations

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

- FOR the election of each of the two Class C director nominees;
- FOR ratification of the appointment of the Company's independent registered public accounting firm for 2014;
- FOR the approval, on an advisory basis, of executive compensation as disclosed in these proxy materials; and

- FOR the directors' proposal to amend the charter of the Company to eliminate the classification of the Board of Directors of the Company and provide for annual elections of all directors elected at or after the Company's 2015 Annual Meeting of Stockholders.

Ownership by Officers and Directors

The following table reflects the NCR common stock beneficially owned, as determined under the applicable SEC rules, as of February 11, 2014 (the "Table Date") by (i) each current or former executive officer named in the Summary Compensation Table below on page 45 (the "Named Executive Officers" or "NEOs"), (ii) each non-employee director and nominee and (iii) all current directors and executive officers as a group. Except to the extent indicated in the footnotes below, to NCR's knowledge, each person named in the table below has sole voting and investment power over the shares reported. As of the Table Date, 166,703,813 shares of the Company's common stock were issued and outstanding.

	Total Shares Beneficially Owned[1][2]	Percent	Number of Shares Subject to Options Exercisable Within 60 Days of February 10, 2014	Number of RSUs That Vest Within 60 Days of February 10, 2014[3]
Non-Employee Directors				
Edward ("Pete") Boykin, Independent Lead Director	184,757	*	76,143	
Richard Clemmer, Director	119,626	*	61,167	
Gary Daichendt, Director	122,669	*	68,143	
Robert DeRodes, Director	112,596	*	61,167	
Kurt Kuehn, Director	22,492	*	10,039	
Linda Fayne Levinson, Director	165,598	*	84,143	
Deanna Oppenheimer, Director	17,464	*	6,849	
Named Executive Officers				
William R. Nuti, Director and Officer	424,773	*	63,552	304,878
Robert P. Fishman, Officer	47,529	*	4,622	42,874
John G. Bruno, Officer	144,799	*	16,177	128,622
Peter A. Dorsman, Officer	120,972	*	8,378	57,166
Jennifer M. Daniels, Officer	53,456	*	16,299	37,157
Current Directors, Named Executive Officers and remaining Executive Officers as a Group (13 persons)	1,698,469	1%	570,403	607,854

* Less than one percent.

(1) The number of shares beneficially owned by each person as of the Table Date includes shares of common stock that such person had the right to acquire on or within 60 days after that date, including, but not limited to, upon the exercise of options and vesting and payment of restricted stock units. This does not include restricted stock units granted as of the Table Date that vest more than 60 days after the Table Date which, in the case of our NEOs is as follows: Mr. Nuti 394,804; Mr. Fishman 52,019; Mr. Bruno 70,529; Mr. Dorsman 74,260; and Ms. Daniels 37,615.

(2) 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 85,614 shares granted to Mr. Boykin; 58,459 shares granted to Mr. Clemmer; 20,744 shares granted to Mr. DeRodes; 10,573 shares granted to Mr. Kuehn; 6,057 shares granted to Ms. Levinson; and 4,930 shares granted to Ms. Oppenheimer.

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

Other Beneficial Owners of NCR Stock

To the Company's knowledge, and as reported as of February 14, 2014 (except as otherwise specified), the following stockholders beneficially own more than 5% of the Company's outstanding stock.

Name and Address of Beneficial Owner	Total Number of Shares	Percent of Class
FMR LLC [1] 245 Summer Street Boston, MA 02210	23,129,593	13.90%
BlackRock Inc.[2] 40 East 52nd Street New York, New York 10022	11,854,750	7.10%
The Vanguard Group [3] 100 Vanguard Boulevard Malvern, PA 19355	9,230,897	5.54%

(1) Information is based on a Schedule 13G/A filed with the SEC on February 14, 2014 by FMR LLC ("FMR") and Edward C. Johnson 3rd ("Johnson") reporting beneficial ownership of the Company's stock as of December 31, 2013, on behalf of FMR's direct and indirect subsidiaries including Fidelity Management & Research Company, Strategic Advisers, Inc., Fidelity SelectCo, LLC, Pyramis Global Advisors, LLC, and Pyramis Global Advisors Trust Company. In this filing, FMR reported sole voting power with respect to 2,953,609 of such shares, and sole dispositive power with respect to all 23,129,593 of such shares. Johnson reported sole dispositive power with respect to all 23,129,593 of such shares as members of the Johnson Family and Johnson, as Chairman of FMR, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR (which represent 49% of the voting power of FMR) and have entered into a shareholders' voting agreement with respect to such Series B voting common shares.

(2) Information is based on a Schedule 13G/A filed with the SEC on January 30, 2014 by BlackRock, Inc. ("BlackRock"), reporting beneficial ownership of 11,854,750 shares of the Company's stock as of December 31, 2013, as a parent holding company or control person for its subsidiaries, BlackRock Advisors (UK) Limited, BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management North Asia Limited, BlackRock Capital Management, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Fund Management Ireland Limited, BlackRock Fund Managers Ltd., BlackRock Institutional Trust Company, N.A., BlackRock International Limited, BlackRock Investment Management (Australia) Limited, BlackRock Investment Management (UK) Ltd., BlackRock Investment Management, LLC and BlackRock Life Limited. In this filing, BlackRock reported sole voting power with respect to 10,697,916 of such shares, and sole dispositive power with respect to all 11,854,750 of such shares.

(3) Information is based on a Schedule 13G/A filed with the SEC on February 11, 2014 by The Vanguard Group ("Vanguard Group"), reporting beneficial ownership of 9,230,897 shares of the Company's stock as of December 31, 2013. In this filing, Vanguard Group reported sole dispositive power with respect to 9,137,615 of such shares, sole voting power with respect to 104,149 of such shares, and shared dispositive power with respect to 93,282 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 93,282 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 10,867 of such shares as a result of serving as investment manager of certain Australian investment offerings.

ELECTION OF DIRECTORS
(Item 1 on Proxy Card)

The Board of Directors of NCR (the "Board") is currently divided into three classes. Directors hold office for staggered terms of three years (or less if they are filling a vacancy) and until their successor is elected and qualifies. One of the three classes is elected each year to succeed the directors whose terms are expiring. The current terms for the directors in Classes A, B and C of the Board expire at the annual meetings of stockholders in 2015, 2016, and 2014, respectively.

Subject to approval of Item 4, commencing with NCR's 2015 Annual Meeting of Stockholders, NCR's Board of Directors will be declassified and all directors will be elected annually for one-year terms, except that directors elected prior to NCR's 2015 Annual Meeting of Stockholders (including those directors elected under this Item 1) will continue to serve the balance of their existing three-year terms. If Item 4 is not approved, NCR's Board of Directors will remain classified and directors will continue to be elected for staggered three-year terms.

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

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

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

Class C—Current Term Expiring in 2014 and new term expiring in 2017:

Mr. Clemmer and Mr. Kuehn are Class C directors whose current term expires at the 2014 annual meeting.

Richard L. Clemmer, 62, is President and Chief Executive Officer of NXP B.V., a semiconductor company, a position he has held since January 1, 2009. Prior to that, he was a senior advisor to Kohlberg Kravis Roberts & Co., a private equity firm, a position he held from May 2007 to December 2008. He previously served as President and Chief Executive Officer of Agere Systems Inc., an integrated circuits components company that was acquired in 2007 by LSI Logic Corporation, from October 2005 to April 2007. Mr. Clemmer became a director of NCR on April 23, 2008. During the past 5 years, Mr. Clemmer was a director of i2 Technologies, Inc. and Trident Microsystems Inc. In determining if Mr. Clemmer should continue serving as a director of the Company, the Committee on Directors and Governance considered his experience in his position at NXP B.V. and his former positions with Kohlberg Kravis Roberts & Co. and Agere Systems Inc. Mr. Clemmer's demonstrated management experience, independence, and financial literacy were also attributes that led the Committee on Directors and Governance to conclude that his skills would meet the needs of the Board of Directors.

Kurt P. Kuehn, 59, is Chief Financial Officer at United Parcel Service, Inc. ("UPS"), a global leader in logistics, a position he has held since 2008. Prior to his appointment as CFO, Mr. Kuehn was Senior Vice President Worldwide Sales and Marketing, leading the transformation of the sales organization to improve the global customer experience. Mr. Kuehn was UPS's first Vice President of Investor Relations, taking the company public in 1999 in one of the largest IPOs in U.S. history. Since he joined UPS as a driver in 1977, Mr. Kuehn's UPS career has included leadership roles in sales and marketing, engineering, operations and strategic cost planning. Mr. Kuehn became a director of NCR on May 23, 2012. In recommending Mr. Kuehn as a nominee for election as a director of the Company, the Committee on Directors and Governance considered his current role as CFO at UPS, his previous experience at UPS as Senior Vice President Worldwide Sales and Marketing and Vice President of Investor Relations, and the responsibilities

associated with these positions. Mr. Kuehn's demonstrated management experience, independence, and financial literacy were also attributes and skills that led the Committee on Directors and Governance to conclude that his abilities would meet the needs of the Board of Directors.

Directors Whose Terms of Office Continue

Class A—Current Term Expiring in 2015:

William R. Nuti, 50, 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 United Continental Holdings, Inc. and is a member of its Audit Committee and previously served as a director of Sprint Nextel Corporation. Mr. Nuti is also a member of the Georgia Institute of Technology advisory board and a trustee of Long Island University. Mr. Nuti became a director of NCR on August 7, 2005. In determining if Mr. Nuti should continue serving as a director of the Company, the Committee on Directors and Governance considered his current role as Chief Executive Officer and President of the Company, his experience as a director of other public companies, his previous experience as President and Chief Executive Officer of Symbol Technologies, his previous experience as Senior Vice President at Cisco Systems, and the responsibilities associated with these positions. Mr. Nuti's demonstrated management and leadership experience and global sales and operations experience, were also skills and attributes that led the Committee on Directors and Governance to conclude that his abilities would meet the needs of the Board of Directors.

Gary J. Daichendt, 62, has been principally occupied as a private investor since June 2005 and has been a managing member of Theory R Properties LLC, a commercial real estate firm, since October 2002. He served as President and Chief Operating Officer of Nortel Networks Corporation, a global supplier of communication equipment, from March 2005 to June 2005. Prior to that and until his retirement in December 2000, Mr. Daichendt served as Executive Vice President, Worldwide Operations for Cisco Systems, Inc. Mr. Daichendt became a director of NCR on April 26, 2006 and also serves on the Boards of Directors of ShoreTel Inc., where he serves on the Governance and Compensation Committees and Emulex Corporation, where he is a member of its Audit Committee. In determining if Mr. Daichendt should continue serving as a director of the Company, the Committee on Directors and Governance considered his previous experience as President and Chief Operating Officer of Nortel Networks Corporation, his previous experience as Executive Vice President, Worldwide Operations, for Cisco Systems, and the responsibilities associated with these positions. Mr. Daichendt's demonstrated management experience, financial literacy and independence were also attributes and skills that led the Committee on Directors and Governance to conclude that his abilities would meet the needs of the Board of Directors.

Robert P. DeRodes, 63, is the founder of DeRodes Enterprises, LLC, a Georgia-based corporation that primarily provides information technology and business operations consulting, as well as management advisory services. Prior to starting this company, Mr. DeRodes served as Executive Vice President, Global Operations & Technology of First Data Corporation, an electronic commerce and payments company, from October 2008 to July 2010. Prior to First Data Corporation, Mr. DeRodes served as Executive Vice President and Chief Information Officer of The Home Depot, Inc., a home improvement retailer, from February 2002 to October 2008 and as President and Chief Executive Officer of Delta Technology, Inc. and Chief Information Officer of Delta Air Lines, Inc., from September 1999 until February 2002. Prior to Delta, Mr. DeRodes held various executive positions in the financial services industry with Citibank (1995-1999) and with USSA (1983-1993). Mr. DeRodes became a director of NCR on April 23, 2008. In determining if Mr. DeRodes should continue serving as a director of the Company, the Committee on Directors and Governance considered the scope of his previous experience and the responsibilities associated with the aforementioned positions. Mr. DeRodes' demonstrated management experience,

information technology experience, understanding of the financial services, retail and transportation industries, and independence led the Committee on Directors and Governance to conclude that his abilities would meet the needs of the Board of Directors.

Class B—Current Term Expiring 2016:

Edward "Pete" Boykin, 75, was Chair of the Board of Directors of Capital TEN Acquisition Corp., a special purpose acquisition company, from October 2007 to May 2008. He served as President and Chief Operating Officer of Computer Sciences Corporation ("CSC"), an information technology services company he joined in 1966, from July 2001 to June 2003. Mr. Boykin is also a director of Teradata Corporation and is also Chairman of the Board of Directors of Engility Holdings, Inc. which he joined in July 2012. Mr. Boykin became a director of NCR on June 5, 2002 and was appointed Independent Lead Director effective July 25, 2013. In recommending Mr. Boykin as a nominee for election as a director of the Company, the Committee on Directors and Governance considered Mr. Boykin's independence and his previous experience at CSC, a multi-billion dollar international company with complex accounting issues, including among other things, his extensive experience evaluating financial statements in his former position as CSC's President and Chief Operating Officer, his past experience managing major acquisitions at CSC and his former role on CSC's disclosure committee. In addition to these attributes, the Committee on Directors and Governance considered Mr. Boykin's financial literacy and independence in concluding that his abilities would meet the needs of the Board of Directors.

Linda Fayne Levinson, 72, 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 and electronic commerce companies, from 1997 to December 2004. Prior to that, she was a Partner in Wings Partners, a private equity firm, an executive at American Express running its leisure travel and tour business, and a Partner at McKinsey & Company. Ms. Levinson was a director of DemandTec, Inc. from June 2005 until February 2012 when it was acquired by International Business Machines Corporation. Ms. Levinson is currently a director of Jacobs Engineering Group Inc., Ingram Micro Inc., The Western Union Company and Hertz Global Holdings, Inc. Ms. Levinson became a director of NCR on January 1, 1997 and was appointed the Independent Lead Director of the NCR Board of Directors on October 1, 2007 and continued to serve in that role through July 24, 2013. In recommending Ms. Levinson as a nominee for election as a director of the Company, the Committee on Directors and Governance considered her long experience as a public company director and a committee chair, starting in 1991, as well as her general management experience at American Express, her strategic experience at McKinsey & Company and her investment experience at GRP Partners and Wings Partners. Ms. Levinson's extensive management and leadership experience, her broad industry knowledge, independence, in-depth knowledge of corporate governance issues and diversity of perspective were also skills and attributes that led the Committee on Directors and Governance to conclude that her abilities would meet the needs of the Board of Directors.

Deanna W. Oppenheimer, 55, is Chief Executive Officer of CameoWorks, LLC, a global retail and financial services advisory firm, which she formed in 2005. Prior to rejoining CameoWorks in 2011, she served in a number of roles at Barclays, PLC, from 2005 to 2011, as Chief Executive of U.K. and Business Banking and Vice Chair of Global Retail and Business Banking. From 1985 to 2005, Ms. Oppenheimer served in a number of positions at Washington Mutual, Inc., with her last role as President of Consumer Banking, where she helped to transform the lender from a regional to national player. Ms. Oppenheimer is currently a director of Tesco, PLC and Tesco Bank. Ms. Oppenheimer became a director of NCR on August 1, 2012. In recommending Ms. Oppenheimer as a nominee for election as a director of the Company, the Committee on Directors and Governance considered her current role as CEO at CameoWorks and her previous experience at Barclays, PLC, as Chief Executive of U.K. and Business Banking and Vice Chair of Global Retail and Business Banking, her previous experience as President of Consumer Banking at Washington Mutual, Inc., and the responsibilities associated with these positions. Ms. Oppenheimer's demonstrated management experience, independence, and financial literacy were also attributes that led the Committee on Directors and Governance to conclude that her skills would meet the needs of the Board of Directors.

ADDITIONAL INFORMATION CONCERNING THE BOARD OF DIRECTORS

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

Corporate Governance

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

To help discharge its responsibilities, the Board of Directors has adopted Corporate Governance Guidelines on significant corporate governance issues, including, among other things, director independence, committee membership and structure, meetings and executive sessions, and director selection, training and retirement. The Corporate Governance Guidelines, as well as the Board's committee charters, are found under "Corporate Governance" on the "About NCR" page of NCR's website at http://www.ncr.com/about-ncr/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 16 of this proxy statement.

The Corporate Governance Guidelines reflect, among other things, the belief and policy of the Board of Directors that a substantial majority of its members should be independent, and the Board has established standards to assist it in determining director independence. These standards, which meet, and in some cases exceed, the independence guidelines for directors under the NYSE listing standards, are set forth below and are included as Exhibit B to the Corporate Governance Guidelines.

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

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

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

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

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

Board Leadership Structure and Risk Oversight

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

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

Consistent with the Corporate Governance Guidelines, the Independent Lead Director has broad authority, as follows. The Independent Lead Director: presides at the executive sessions of the non-employee directors and at all Board meetings at which the Chairman is not present; serves as liaison between the Chairman and the

independent directors; frequently communicates with the Chief Executive Officer; is authorized to call meetings of the independent directors; obtains Board member and management input and, with the Chief Executive Officer, sets the agenda for the Board; approves meeting schedules to assure there is sufficient time for discussion of all agenda items; works with the Chief Executive Officer to ensure that Board members receive the right information on a timely basis; stays current on major risks and focuses the Board members on such risks; molds a cohesive Board to support success of the Chief Executive Officer; works with the Committee on Directors and Governance to evaluate Board and committee performance; facilitates communications among directors; assists in recruiting and retention of new Board members (with the Committee on Directors and Governance and the Chief Executive Officer); in conjunction with the Chairman and Committee on Directors and Governance, ensures that committee structure and committee assignments are appropriate and effective; works with the Committee on Directors and Governance to ensure outstanding governance processes; leads discussions regarding Chief Executive Officer performance, personal development and compensation; and, if requested by major stockholders of the Company, is available for consultation and direct communication with such stockholders. Additionally, the leadership and oversight of the Board's other independent directors continues to be strong, and further structural balance is provided by the Company's well-established corporate governance policies and practices, including its Corporate Governance Guidelines. Independent directors account for seven out of eight of the Board's members, and make up all of the members of the Board's Compensation and Human Resource Committee, Audit Committee and Committee on Directors and Governance. Additionally, among other things, the Board's non-employee directors meet regularly in executive session with only the non-employee directors present.

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

The Board's involvement in risk oversight includes receiving regular reports from members of senior management and evaluating areas of material risk to the Company, including operational, financial, legal and regulatory, strategic and reputational risks. The Audit Committee of the Board is responsible for overseeing the assessment of financial risk as well as general risk management programs. In carrying out this responsibility, the Audit Committee regularly evaluates the Company's risk identification, risk management and risk mitigation strategies and practices. The Audit Committee and the full Board receive and review reports prepared by the Company's Enterprise Risk Management leader on an annual basis. In general, the reports identify, analyze, prioritize and provide the status of major risks to the Company. In addition, the Compensation and Human Resource Committee of the Board regularly considers potential risks related to the Company's compensation programs as discussed below, and the Committee on Directors and Governance also considers risks within the context of its committee charter responsibilities, including legal and regulatory compliance risks. The Audit Committee, Compensation and Human Resource Committee, and Committee on Directors and Governance each report at the next meeting of the Board all significant items discussed at each committee meeting, which includes a discussion of items relating to risk oversight. Finally, in 2011, the Company instituted an Executive Risk Committee comprised of members of senior management. The chair of the Company's Executive Risk Committee presents its findings annually to the Board. We believe the leadership structure of the Board effectively facilitates risk oversight by the Board as a result of (i) the role of the Board committees in risk identification and mitigation, (ii) the direct link between management and the Board achieved by having one leader serve as Chairman and Chief Executive Officer, and (iii) the role of our active Independent Lead Director whose duties include ensuring the Board reviews and evaluates major risks to the Company, as well as measures proposed by management to mitigate such risks. These elements work together to ensure an appropriate focus on risk oversight.

Compensation Risk Assessment

The Company has historically maintained a prudent and appropriately risk-balanced approach to its incentive compensation programs to ensure that these programs promote the long-term interests of our stockholders and do not contribute to unnecessary risk-taking, and will continue to do so. The Compensation and Human Resource Committee of the Board of Directors (the "CHRC Committee") evaluates whether the Company's executive and broad-based compensation programs contribute to unnecessary risk-taking to achieve above-target results and has concluded that the risks arising from these programs are not likely to be significant. The CHRC Committee directly engages its independent compensation consultant, Frederic W. Cook & Co., Inc. ("FWC"), to assist the CHRC Committee in its evaluation. In accordance with the CHRC Committee's direction, FWC performs a compensation risk assessment of the Company's executive and broad-based compensation programs and makes an independent report to the CHRC Committee. The last risk assessment from FWC was completed in 2011. At that time, FWC concluded that the Company's executive and broad-based compensation programs do not present any area of significant risk, noting that the plans are well-aligned with the CHRC Committee's compensation design principles. In 2013 and early 2014, the Company conducted its own compensation risk assessment of the incentive compensation programs and concluded that the Company's executive and broad-based compensation programs do not present any area of significant risk. The only significant changes to our compensation program since FWC's 2011 risk assessment were the adoption of the Economic Profit Plan, which the Company and FWC determined did not present an area of significant risk, and the continued transition of the vesting period of our performance-based restricted stock units to 44 months from 36 months.

Committees of the Board

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

The Board of Directors met eight times last year. During 2013, each incumbent member of the Board attended 75% or more of the aggregate of (i) the total number of meetings of the Board (held during the period for which such person has been a director) and (ii) the total number of meetings held by all committees of the Board on which such person served (during the periods that such person served). In addition, while the Company has no formal policy regarding director attendance at its annual meeting of stockholders, NCR's directors are encouraged to attend the Company's annual meeting. All of the directors then in office, except for Mr. Boykin, attended the Company's 2013 Annual Meeting.

The members of each committee as of the end of fiscal 2013 and the number of meetings held in fiscal 2013 are shown below:

Name	Audit Committee	Compensation and Human Resource Committee	Committee on Directors and Governance	Executive Committee
Edward ("Pete") Boykin	X		X	X
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	X			
Number of meetings in 2013	17	7	4	0

*Chair

Audit Committee: The Audit Committee is the principal agent of the Board of Directors in overseeing: (i) the quality and integrity of the Company's financial statements; (ii) the assessment of financial risk and risk management programs; (iii) the independence, qualifications, 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 and NYSE standards. In addition, the Board has determined that Messrs. Boykin, Clemmer and Kuehn and Ms. Oppenheimer are each an "audit committee financial expert," as defined under SEC regulations. The Board has also determined that each member of the Audit Committee is independent based on independence standards set forth in the Board's Corporate Governance Guidelines, which meet, and in some cases exceed, the listing standards of the NYSE and the applicable rules of the SEC. No member of the Audit Committee may receive any compensation, consulting, advisory or other fee from the Company, other than Board compensation described below under the caption "Director Compensation," as determined in accordance with applicable SEC and NYSE rules. Members serving on the Audit Committee are limited to serving on no more than two other audit committees of boards of directors of public companies, unless the Board evaluates and determines that these other commitments would not impair the member's effective service to the Company.

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

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

- discusses its evaluation of, and determination of compensation to, the Chief Executive Officer at executive sessions of the Board of Directors;
- reviews and recommends to the Board of Directors for its approval, the Company's executive compensation plans;
- oversees the Company's compliance with compensation-related requirements of the SEC and NYSE rules;
- reviews and approves employment, severance, change in control and similar agreements and arrangements for the Company's executive officers;
- reviews management's proposals to make significant organizational changes or significant changes to existing executive officer compensation plans;
- periodically assesses the risk associated with the Company's compensation programs; and
- oversees the Company's plans for management succession and development.

The CHRC Committee may delegate its authority to the Company's Chief Executive Officer to make equity awards to individuals (other than executive officers) in limited instances.

The CHRC Committee is authorized to and has directly engaged its compensation consultant, FWC, to review the Company's long-term incentive program, the Stock Incentive Plan (which we refer to as the SIP), the Management Incentive Plan (which we refer to as the MIP), the Economic Profit Plan (which we refer to as the EPP) and other key programs related to the compensation of executive officers. As directed by the CHRC Committee, FWC: provides a competitive assessment of the Company's executive compensation programs relative to our compensation philosophy; reviews our compensation peer group companies; provides expert advice regarding compensation matters for our executive officers, including the Chief Executive Officer; provides information about competitive market rates; assists in the design of the variable incentive plans and the establishment of performance goals; assists in the design of other compensation programs and perquisites; assists with Section 162(m) and Section 409A compliance, disclosure matters, and other technical matters; conducts a risk assessment of the Company's compensation programs; and is readily available for consultation with the CHRC Committee and its members regarding such matters. FWC did not perform any additional work for the Company or its management in 2013. In keeping with NYSE listing standards, the CHRC Committee retained FWC after taking into consideration all factors relevant to FWC's independence from management. The CHRC Committee has reviewed the independence of FWC in light of SEC rules and NYSE listing standards regarding compensation consultants and has concluded that FWC's work for the CHRC Committee is independent and does not raise any conflict of interest.

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

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

- establishes procedures for evaluating the performance of the Board and oversees such evaluation;
- reviews and makes recommendations to the Board concerning director compensation; and

- 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.

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

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

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

Selection of Nominees for Directors

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

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

Stockholders wishing to recommend individuals for consideration as directors should contact the Committee on Directors and Governance by writing to the Company's Corporate Secretary at NCR Corporation, 250 Greenwich Street, 35th Floor, New York, NY 10007. Recommendations by stockholders that are made in this manner will be evaluated in the same manner as other candidates. Stockholders who want to nominate directors for election at NCR's next annual meeting of stockholders must follow the procedures described in the Company's Bylaws, which are available under "Corporate Governance" on the "About NCR" page of NCR's website at http://www.ncr.com/about-ncr/corporate-governance. See "Procedures for Stockholder Proposals and Nominations" on page 76 of this proxy statement for further details regarding how to nominate directors.

The directors nominated by the Board of Directors for election at the 2014 Annual Meeting were recommended by the Committee on Directors and Governance for election at the 2014 Annual Meeting. 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 NCR's Board of Directors, the Independent Lead Director or any other individual director, the Chairman of the Board, or NCR's independent directors as a group are welcome to do so by writing to the Company's Corporate Secretary at NCR Corporation, 250 Greenwich Street, 35th Floor, New York, NY 10007. The Corporate Secretary will forward appropriate communications. Any matters reported by stockholders relating to NCR's accounting, internal accounting controls or auditing matters will be referred to members of the Audit Committee as appropriate. Anonymous and/or confidential communications with the Board of Directors may also be made by writing to this address. For more information on how to contact NCR's Board, please see the Company's Corporate Governance website at http://www.ncr.com/about-ncr/corporate-governance/contact-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/about-ncr/corporate-governance/code-of-conduct. To receive a copy of the Code of Conduct, please send a written request to the Corporate Secretary at the address provided above.

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, the Company is required to report in this proxy statement any failure to file or late filing occurring during the fiscal year ended December 31, 2013. Based solely on a review of filings furnished to the Company and other information from reporting persons, the Company believes that all of these filing requirements were satisfied by its directors, officers, and 10% beneficial owners.

COMPENSATION DISCUSSION AND ANALYSIS

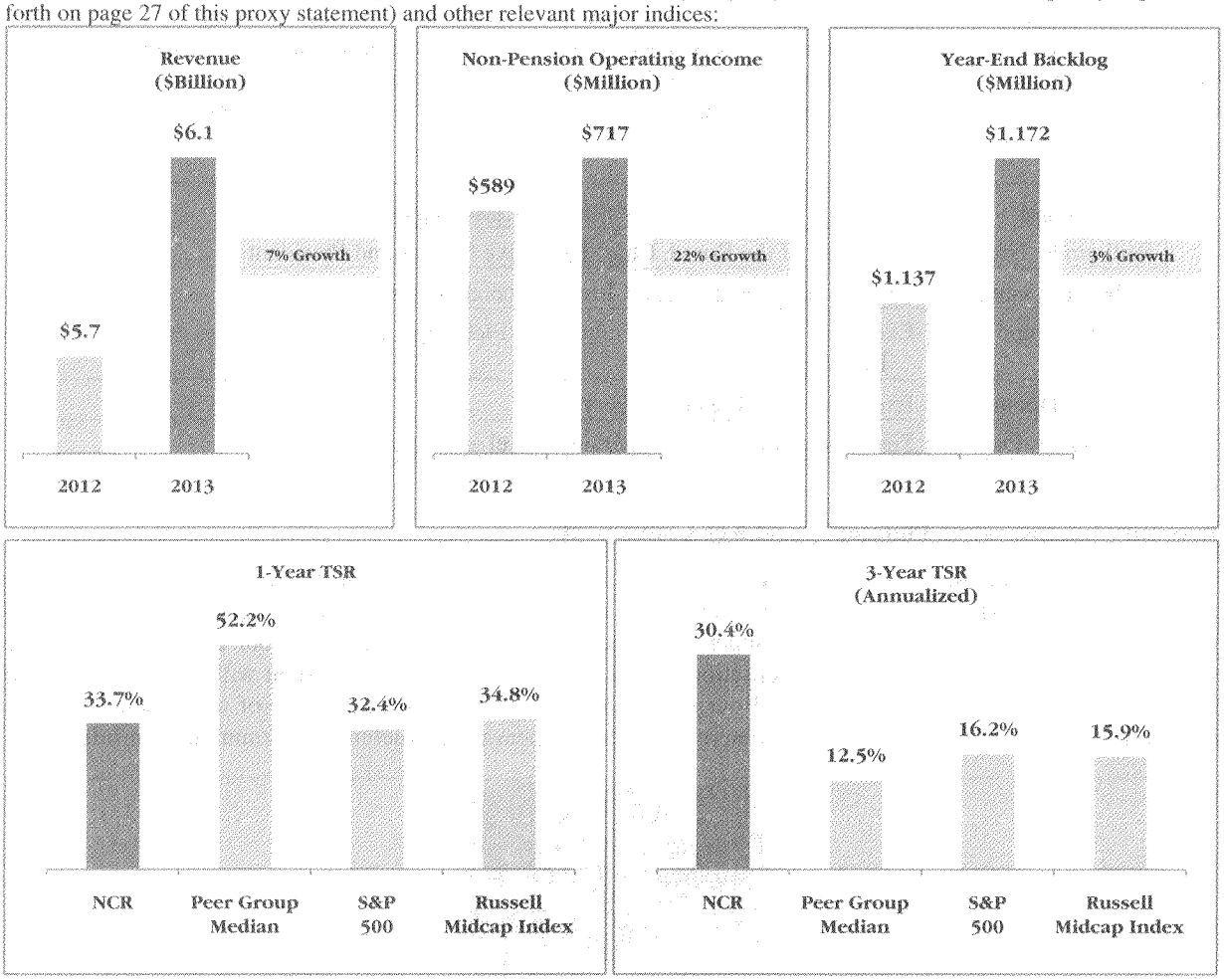
Executive Summary

NCR continues to strengthen and improve its practice of linking the total compensation of our Named Executive Officers (the "NEOs") to the strategic and financial success of the Company. Our compensation philosophy requires that a significant portion of total compensation for our NEOs be aligned with our performance. We accomplish this by placing a large portion of our executives' total compensation "at risk" and by requiring our executives to stretch to meet challenging internal financial metrics annually that, if achieved, translate into shared value creation with our stockholders. Fiscal year 2013 was another year of strong results for the Company and continuing financial success for our stockholders.

2013 Financial Highlights – Another Year of Historic Growth

- Our revenue grew 7% to $6.1 billion;
- Our gross margin expanded 170 basis points to 28.5%;
- Our software revenue grew 36% to $761 million, including SaaS revenue growth of 54%;
- Our Non-Pension Operating Income ("NPOI") grew 22% to $717 million;
- Our annualized three-year total shareholder return of 30.4% ranks third among our 2013 peer group;
- Our year-end order backlog for 2013 grew to $1.172 billion, up from $1.137 billion in 2012, our highest year-end backlog ever;
- Our Free Cash Flow increased 42% to $207 million;
- On December 2, 2013, we signed a definitive agreement to acquire Digital Insight Corporation for approximately $1.65 billion and successfully closed that transaction on January 10, 2014 to substantially enhance our on-line and mobile banking solutions; and
- On December 2, 2013, we acquired Alaric Systems Ltd. for approximately $84 million. Alaric is a London-based leading provider of secure transaction switching and fraud prevention software for the banking industry.

The following charts demonstrate how our 2013 performance compares with our 2012 performance and how our stock price performance compares with the stock price performance of our 2013 peer group (the members of our 2013 peer group are set forth on page 27 of this proxy statement) and other relevant major indices:



Summary of 2013 Committee Actions – Another Year of Pay-for-Performance Refinement

- We received shareholder approval at our 2013 Annual Meeting (with 92% of votes cast) to increase by an additional seven million shares, the number of shares of NCR common stock available for issuance under our long-term incentive program, thereby providing us the necessary equity to continue to link pay with performance, to attract and retain key talent, and to maintain market competitiveness through the use of long-term incentives;
- We amended our Economic Profit Plan ("EPP") to exclude extraordinary contributions/payments made by the Company in connection with our pension contribution strategy and other extraordinary cash items from Cash Flow from Operations thereby aligning the long-term strategic decision-making of our executives with that of our stockholders;
- We evaluated the financial metrics used to determine 2014 awards under our 2011 Amended and Restated NCR Management Incentive Plan ("MIP") and have included Non-Pension Operating Income and Adjusted Free Cash Flow as our Core Financial Objectives for 2014, allowing us to align management's compensation with these key internal strategic measures and to differentiate the financial metrics of the MIP from the financial metric of our long-term incentive plans; and
- While 2013 performance against our internal annual incentive plan financial metrics resulted in an earned payout of 103.3% of target, the Committee and our CEO determined that although the Company's performance resulted in another record year, some elements of internal performance did not meet management's internal stretch objectives, and the earned payout would be reduced to 45% of target before adjustment for individual performance. In addition, the Customer Success results did not meet management's internal stretch objectives, resulting in no award being made to participants for that metric.

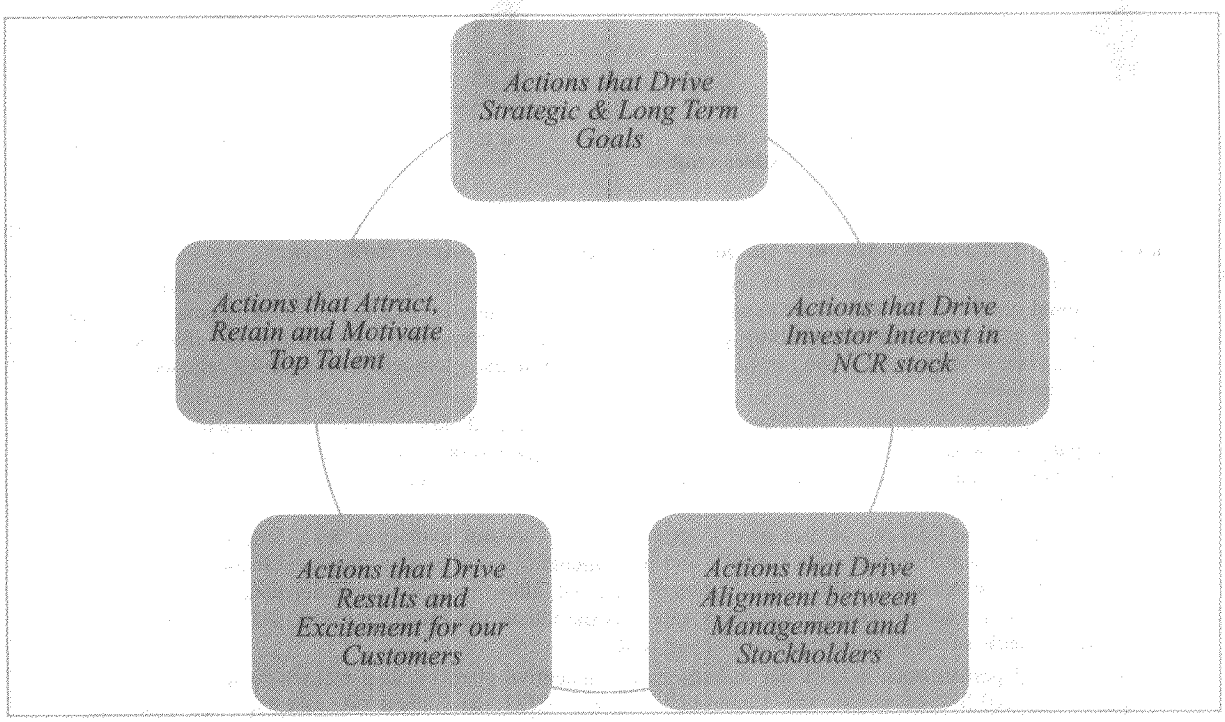
Our Named Executive Officers

The Committee has the sole authority to make all compensation-related decisions for the Company's NEOs. This *Compensation Discussion and Analysis* ("CD&A") addresses the compensation decisions for 2013 for the NEOs identified below. For additional information regarding the compensation of the NEOs, refer to the Executive Compensation tables, which begin on page 45 of this proxy statement. For 2013, the following executive officers are our NEOs:

Name	Executive Leadership Role
William R. Nuti	Chairman of the Board, Chief Executive Officer and President
Robert P. Fishman	Senior Vice President and Chief Financial Officer
John G. Bruno	Executive Vice President, Industry & Field Operations and Corporate Development
Peter A. Dorsman	Executive Vice President, Services
Jennifer M. Daniels	Senior Vice President, General Counsel and Secretary

Executive Compensation Philosophy and Key Components

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



Response to 2013 Say on Pay Vote. At the 2013 Annual Meeting, the Company's stockholders approved the compensation program for the NEOs with 97.5% of the votes cast. This vote reflects strong stockholder confidence in the Committee's pay for performance philosophy and the absence of pay practices that stockholders consider in conflict with their best interests. Most decisions for our NEOs' 2013 compensation program were determined by the Committee prior to receiving the results of our say on pay vote at the 2013 Annual Meeting. However, the Committee generally continued to apply the same principles in determining the amounts and types of executive compensation for 2013 as outlined below under "2013 Compensation Program Highlights." Following the 2013 Annual Meeting, the Committee took into account the affirmative stockholder vote on our say on pay proposal, along with input from our stockholders, when determining subsequent compensation actions in 2013 and in refining our compensation program and goal setting as part of the 2014 planning process, which the Committee first began to consider at its regularly scheduled meeting in September 2013.

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

For each of our compensation programs the Committee approves the design features, performance levels, individual performance objectives, and final awards for our NEOs.

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

2013 Compensation Program Highlights. The Company's 2013 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 2013 to carry out this philosophy include:

- The Company's performance-based LTI awards granted during February 2013 under our 2011 Amended and Restated Stock Incentive Plan (the "SIP"), will vest 100% in October 2016, depending on company performance, thus completing the transition of the total vesting period from 36 months to 44 months for performance-based LTI awards. The Company and the Committee believe that staggering the vesting/ payout events of our incentive awards more evenly throughout the year enhances the retention value of our incentive programs by placing a more consistent value "at risk" throughout the year.

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

- We established aggressive operating performance goals for 2013 awards granted under our MIP and for the performance-based LTI awards granted under our SIP.
- Stockholders approved our 2013 Stock Incentive Plan (the "2013 SIP") in April 2013 (with 92% of votes cast), which provides seven million additional shares for the Company's executive long-term incentive program, and will allow us to continue to link pay and performance, to attract and retain key talent, and to maintain market competitiveness through the use of long-term incentives.
- We reduced the maximum payout for performance-based LTI awards granted in 2013 under our SIP to 125% of target versus the prior 150% of target, as we believe the reduced maximum payout opportunity of 125% of target provides our other NEOs with sufficient incentive to exceed the targeted financial metrics. The Committee also modified the CEO's maximum performance-based LTI payout to 125% of target for consistency.
- We implemented a revised severance benefits program for U.S. employees effective in April 2013 that includes our NEOs (other than the CEO), which provides reasonable and market-competitive severance benefits (when appropriate) based on specific grade/position guidelines as opposed to the tenure/service-oriented formula provided under the 2012 U.S. RIF Plan. The Company believes this approach is a best practice that provides greater alignment with competitive severance practices in markets where we compete for talent.

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

- Instituting challenging, Committee-approved performance goals, and, for our performance-based LTI awards under the SIP and EPP, a threshold financial metric (in addition to the performance goals);
- Engaging an independent consulting firm to conduct an annual compensation study that assists the Committee in their evaluation of appropriate compensation and pay mix levels for our NEOs;
- Implementing aggressive stock ownership guidelines for our executives and requiring that all NEO stock transactions be conducted solely through a pre-approved 10b5-1 trading plan that requires, among other things, a 60-day waiting period between the filing of the 10b5-1 trading plan and any transaction, and that a minimum trade price be established for any planned transaction at least equal to the market

price of NCR stock at the time the 10b5-1 trading plan is adopted. The Company also requires that our NEOs must continue to meet their ownership guidelines following any transaction;

- Continuing the ability of the Committee to exercise negative discretion when determining payouts under all of our variable compensation programs;
- Continuing the EPP which rewards our executives for creating sustainable value for our business; and
- Maintaining a strong claw back policy.

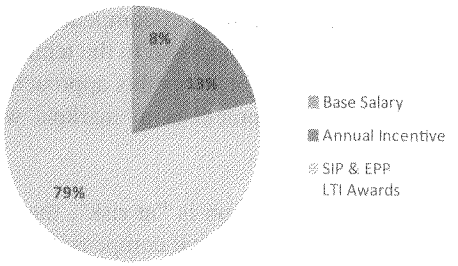
In addition, the Company maintains policies and practices that prohibit certain activities that, if allowed, would reduce the level of alignment between our executive compensation practices and our stockholders' interests. Some of these include:

- Prohibiting the repricing of stock options without prior approval from our stockholders;
- Prohibiting the pledging and hedging of any of the Company's equity securities; and
- Prohibiting excise tax gross-ups for new participants eligible under the Company's Change in Control Severance Policy and prohibiting tax gross-ups on any perquisites other than standard relocation benefits.

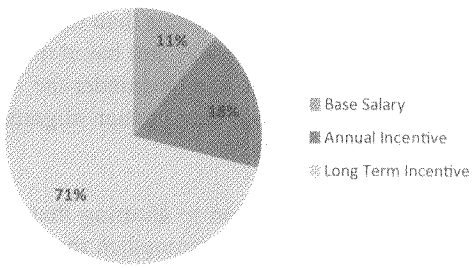
Pay for Performance Highlights. The portion of "at risk" compensation for our senior executives increases directly with the executive's role and responsibility within the Company, ensuring our senior officers are held most accountable to our stockholders. As shown below, a very significant portion (92%) of our CEO's target total compensation pay mix is directly linked to the performance of the Company through quantitative internal performance metrics and qualitative goals that support the strategy of the organization and are approved each year by the Committee. This is generally consistent with the pay mix of CEOs in our peer group. The percentage of pay "at risk" for our other NEOs (77%) is also generally consistent with the pay mix of other NEOs in our 2013 peer group.

2013 Target Total Direct Compensation Pay Mix:

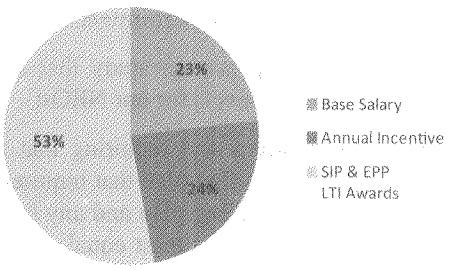
NCR CEO Target Pay Mix



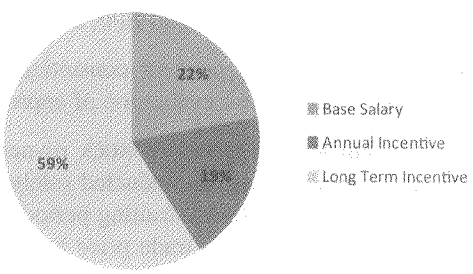
Peer Group CEO Target Pay Mix



NCR Other NEOs Target Pay Mix

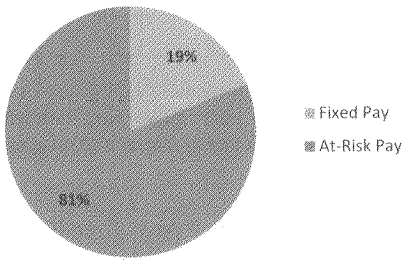


Peer Group Other NEOs Target Pay Mix

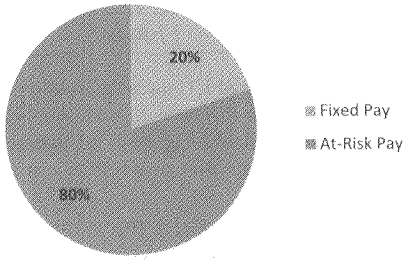


Performance-Based vs. Fixed Pay Mix at Target: For our CEO and other NEOs, the ratio between performance-based pay (including performance-based equity, stock options and cash incentive compensation) and fixed pay (base salary and time-based equity) is consistent with the pay mix of other CEOs and NEOs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

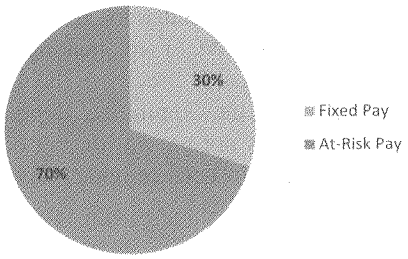
NCR CEO At-Risk vs. Fixed Pay



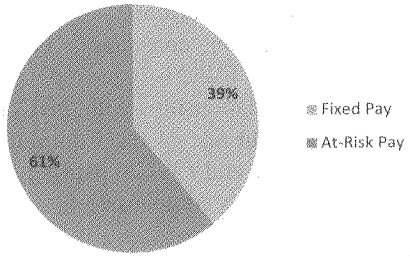
Peer Group CEO At-Risk vs. Fixed Pay



NCR Other NEOs At-Risk vs. Fixed Pay



Peer Group Other NEOs At-Risk vs. Fixed Pay



Granted vs. Realizable Compensation. Since such a significant portion of the compensation of our NEOs is performance-based and is considered to be "at risk", we review the "granted" vs. the "realizable" compensation levels of our CEO and our other NEOs to track the alignment and effectiveness of our pay-for-performance executive compensation design. To complete this analysis, we compare the value of the targeted compensation levels at 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 and long-term goals and the year-end price of the Company's stock. By way of example, the following table, which is different than our Summary Compensation Table on page 45 of this proxy statement, shows the "granted" vs. "realizable" compensation for the CEO for the previous three fiscal years:

	Compensation "Granted"(1) ($millions)				Compensation "Realizable"(2) ($millions)				CEO Compensation "Realizable" vs. "Granted"
Year	Base	Target Bonus	LTI	Total	Base	Actual Bonus	LTI	Total	
2013	$1.0	$1.5	$9.3	$11.8	$1.0	$0.6	$10.9	$12.5	106%
2012	$1.0	$1.5	$7.6	$10.1	$1.0	$1.1	$11.7	$13.8	136%
2011	$1.0	$1.5	$7.9	$10.4	$1.0	$2.7	$15.6	$19.3	186%

(1) Compensation "Granted" includes: base salary, target annual incentive, grant date fair market value of all equity awards, plus the EPP payment to be made in August of the following calendar year related to the current year's performance results.

(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, 2013, and the EPP payment to be made the following August related to the current year's performance results. The 2011 annual performance-based LTI award granted on February 22, 2011 is currently reflected at "maximum" (150% payout earned). The 2012 annual performance-based LTI award granted on February 28, 2012 is currently reflected at 127.8% of target (payout earned). The 2013 annual performance-based LTI award granted on February 25, 2013 is currently reflected at 100.8% of target, subject to 2014 actual results.

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

	CEO Compensation Realized/Earned			Company Performance		
Year	Compensation "Realizable" vs. "Granted"	Bonus Payout Earned	Performance LTI Award Earned[1]	NPOICC Results ($millions)	NCR 1-Year Total Shareholder Return (TSR)[2]	NCR 1-Year TSR Percentile Rank for Peer Group[2]
2013	106%	42%	100.8%	$592	34%	25%
2012	136%	73%	127.8%	$486	55%	95%
2011	186%	179%	150.0%	$297	7%	96%

(1) The 2011 performance-based LTI award granted on February 22, 2011 is currently reflected at "maximum" (150% payout earned). The 2012 annual performance-based LTI award granted on February 28, 2012 is currently reflected at 127.8% of target (payout earned). The 2013 annual performance-based LTI award granted on February 25, 2013 is currently reflected at 100.8% of target, subject to 2014 actual results.
(2) The TSR Percentile Rank measurement is from year-end to year-end.

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

Role of Compensation Consultant. The Committee considers advice and recommendations received from its independent compensation consultant, Frederic W. Cook & Co., Inc. ("FWC") in making executive compensation decisions. FWC is independent of the Company's management, reports directly to the Committee, and has no economic relationships with the Company other than its role advising the Committee. Representatives of FWC attended all but one of the Committee meetings in 2013. Our CEO is not present during discussions between the Committee and FWC regarding the CEO's compensation and has not been provided a copy of any FWC reports on the CEO's compensation.

Independence of the Compensation Consultant. In 2013, the Committee considered the independence of FWC in light of SEC rules and NYSE listing standards. The Committee requested and received a letter from FWC addressing the consulting firm's independence, including the following factors: (i) other services provided to the Company by FWC; (ii) fees paid by the Company as a percentage of FWC's total revenue; (iii) policies or procedures maintained by FWC that are designed to prevent a conflict of interest; (iv) any business or personal relationships between the individual consultants from FWC involved in the engagement and a member of the Committee; (v) any Company stock owned by the individual consultants of FWC involved in the engagement; and (vi) any business or personal relationships between our executive officers and FWC or the individual consultants involved in the engagement. The Committee concluded that FWC's work for the Committee is independent and does not raise a conflict of interest.

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

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

Compensation Peer Group. FWC annually develops and presents a recommended peer group that is approved by the Committee. This independent analysis typically includes an examination of the cash and equity elements of compensation for the five most highly compensated executives in each peer company and a comparison of the Company's similarly ranked NEOs to the 25th, 50th and 75th percentiles of the peer group. The analysis also includes comprehensive modeling of long-term incentive costs and resulting levels of stockholder value transfer and dilution, which the Committee considers when developing the aggregate annual budget for equity compensation awards.

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

We review our peer group at least once per year to ensure it continues to reflect the parameters originally outlined. The compensation peer group analyzed in setting 2013 executive compensation consisted of the companies listed below which represents the same peer group that was used to establish compensation recommendations for 2012.

NCR's Compensation Peer Group for 2013			
Agilent Technologies, Inc.	Diebold, Inc.	DST Systems, Inc.	Fidelity National Information Services
Fiserv, Inc.	Harris Corp.	Juniper Networks, Inc.	Lexmark International, Inc.
Logitech International SA	NetApp, Inc.	Pitney Bowes, Inc.	SAIC
SanDisk Corp.	Seagate Technology	Symantec Corp.	Western Digital Corp.

For 2014, the Committee approved the same peer group listed above with the following changes: (i) DST Systems, Lexmark International, and Logitech International were removed from the peer group because they are significantly smaller than NCR in each of the financial metrics considered, which are revenue, operating income, market capitalization, and enterprise value; (ii) SAIC was removed because of its high concentration in government services and its split in September 2013 into two new publicly traded companies; (iii) Adobe Systems Inc., CA Technologies Inc., Intuit Inc., and Salesforce.com Inc. were added to the 2014 peer group as they are software/services companies and therefore better align to the Company's business. The Company will therefore continue to have sixteen external peer group companies for 2014.

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

- Towers Watson Compensation Data Base (CDB) – High-Tech Executive Database;
- Towers Watson Compensation Data Base (CDB) – General Industry Executive Database;

- Hewitt Total Compensation Management – Executive Survey; and
- Radford – Global Technology Survey.

The surveys covered participating companies with a revenue range of $3 billion to either $7 or $10 billion, depending on the survey. The Committee considers market median levels when setting compensation levels, but retains the flexibility to set compensation above or below the median based on individual considerations. FWC considers the following market survey positions when evaluating the compensation levels of our NEOs:

Name	2013 Compensation Benchmark and Weighting	
	Peer Group Proxy Data	General Survey Data
William R. Nuti	Chief Executive Officer (100%)	Not Applicable
Robert P. Fishman	Chief Financial Officer (75%)	Chief Financial Officer (25%)
John G. Bruno	2nd Highest Paid (50%)	Chief Operating Officer (50%)
Peter A. Dorsman	Division Head and 3rd Highest Paid (50%)	Sector Head (50%)
Jennifer M. Daniels	General Counsel and 5th Highest Paid (25%)	Top Legal Executive (75%)

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

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

Internal Equity. In addition to tally sheets, management prepares an overview of each executive's base salary, annual incentive targets, and long-term incentive targets in comparison to internal peers. To maintain a fair balance throughout the executive level of the organization, we strive to ensure a level of consistency in compensation with differences based on the degree of judgment and strategic nature of the role of the executive, as well as each executive's individual performance, as measured both objectively and subjectively. For 2013, the total target direct compensation (base salary, target annual bonus award, and target long-term incentive award excluding the EPP) of our CEO was 3.9 times the total target direct compensation of the next highest-paid NEO. The Committee considers this an appropriate ratio, taking into account our CEO's overall leadership responsibility, the competitive market rate of compensation for CEO talent, the strategic nature of the CEO position as the senior executive leading the organization, the extent and scope of his responsibilities, his performance, and his additional role as Chairman of the Board of Directors.

Details on 2013 Executive Compensation

Annual Base Salary. We attempt to set base salaries at a level competitive with our peer group. By doing so, we are able to attract and retain top quality executive talent and ensure that our overall fixed costs are kept at a reasonable level. The Committee reviewed and approved the following base salary actions during 2013:

Summary of 2013 Base Salary Actions and Rationale					
Name	**Base Salary on January 1, 2013**	**Base Salary Increase %**	**Effective Date of Most Recent Base Salary Action**	**Base Salary on December 31, 2013**	**Rationale for Base Salary Action**
William R. Nuti	$1,000,000		August 8, 2005	$1,000,000	No change – Competitive
Robert P. Fishman	$500,000	+5.0%	April 1, 2013	$525,000	Competitive Position and Individual Performance
John G. Bruno	$750,000	(26.7%)	April 1, 2013	$550,000	Competitive Position aligned to role change and Individual Performance
Peter A. Dorsman	$550,000		November 1, 2011	$550,000	No change – Competitive
Jennifer M. Daniels	$500,000		April 19, 2010	$500,000	No change – Competitive

Robert Fishman's Base Salary Action. The increase to Mr. Fishman's base salary in 2013 is part of an adjustment to align Mr. Fishman's pay to the market and was taken to improve the competitive position of his total target compensation based on his individual performance.

John Bruno's Base Salary Action. The decrease to Mr. Bruno's base salary in 2013 is an adjustment to align Mr. Bruno's pay to the market and was taken to improve the alignment of the competitive position of his total target compensation and his role and responsibilities that changed within the Company during the year and also to reflect individual performance.

Annual Incentive Plan

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

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

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

2013 Management Incentive Plan Threshold and Cap. Before any MIP award was payable for 2013, the Company had to achieve a threshold NPOI of $670 million. This performance level is 22% greater than the 2012 threshold NPOI of $550 million and 14% greater than the Company's actual 2012 NPOI of $589 million. Establishing a challenging performance threshold for MIP eligibility demonstrates that our NEOs were required to achieve significant annualized NPOI growth in order to receive any payout for the MIP portion of their annual bonus. The annual bonus produced by the application of the formula described above is also subject to an absolute limit based on the Company's performance. The maximum annual bonus payout opportunity for the CEO is 1.5% of NPOI. Our other NEOs have a maximum annual bonus payout opportunity of 0.75% of NPOI.

Core Financial Objective. As discussed below under "2013 Core Financial Objective Calculations", the Committee established the Core Financial Objective for 2013 based on Non-Pension Operating Income minus Capital Charge ("NPOICC"). Through the use of NPOICC, the Committee and Company management are able to assess the Company's performance through the use of various financial metrics that, when taken together as a whole, forces decision making that drives our intended behavior to produce results aligned to achieving our long-term strategic objectives. Since NPOICC requires both revenue growth and efficient use of capital in order to achieve annual performance goals, management can only be rewarded financially each year when they drive both profitable growth and use capital efficiently over multiple years. Further, NPOICC provides management and the Committee with visibility on a comprehensive measure of the Company's ability to create sustainable value for stockholders.

The Committee approves threshold, target and maximum levels for NPOICC, which, if achieved, would result in a preliminary determination of the MIP bonus at 25%, 100%, or 200% of the MIP target bonus. Awards are interpolated between these levels. The actual payout can be reduced, but not increased, at the discretion of the Committee.

Individual Performance Modifier. In addition to the Core Financial Objective, the Committee also establishes MBOs for the CEO and, in conjunction with the CEO, for each other NEO, which are discussed below under "2013 NEO Individual Performance Modifier." These individual objectives are assigned to our NEOs based on their area of influence and on objectives that, if achieved, would be critical for the Company to achieve its overall financial goals and stretch internal objectives. Based on the extent to which an individual NEO satisfies his or her MBOs, the Committee determines an "individual performance modifier" that is used to increase or decrease the amount of the preliminary MIP bonus as determined by the Core Financial Objective. The individual performance modifier can range from 0% for poor performance to 150% for exceptional performance.

Customer Success Bonus. Because of the critical importance of client retention, client referrals and client relationships, the Customer Success Bonus is retained as a separate component of the annual incentive plan with its own separate award structure. The Customer Success objective is linked to a bi-annual survey of customers conducted by an independent third party where the actual payout is determined at the discretion of the Committee for the CEO and at the discretion of the CEO for the other NEOs.

For 2013, the Committee established incentive targets for the participants in the MIP based on peer group data and positioning within the senior leadership team. The 2013 target annual MIP opportunities for our NEOs were:

Summary of the Management Incentive Plan (MIP) Total Bonus Opportunity for 2013 (all figures expressed as a percentage of base salary)				
Name	MIP Bonus Target	Customer Success Target	Total 2013 MIP Target	Total Annual Bonus Opportunity
William R. Nuti	140%	10%	150%	0% to 430%
Robert P. Fishman	100%	10%	110%	0% to 310%
John G. Bruno	100%	10%	110%	0% to 310%
Peter A. Dorsman	100%	10%	110%	0% to 310%
Jennifer M. Daniels	75%	10%	85%	0% to 235%

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

2013 Core Financial Objective Calculations. We use NPOICC as the Core Financial Objective because it:

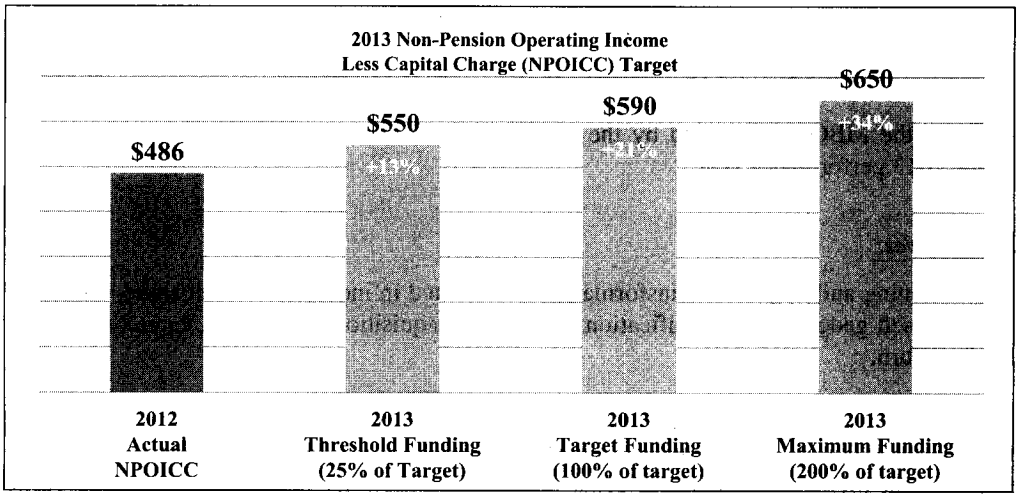
- reflects our highest business imperative – driving growth in profit by increasing revenue and controlling operating costs;
- is balanced with driving a strong focus on asset utilization, working capital, and cash flow;
- is simple to calculate and easily understood by both employees and stockholders;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

	Non-Pension Operating Income minus Capital Charge (NPOICC)		
Formula	**Definition**	**Impact on our Financials**	**Impact on our Behavior**
NPOI	**Non-Pension Operating Income** (NPOI) is our income (loss) from operations as reported under generally accepted accounting principles, excluding the impact of our pension expense and certain special items	Profit (Loss) on our Income Statement	Drive Revenue Growth and Expand Gross Margin
–	–		
Capital Charge	**Capital Charge** is our "controllable capital" multiplied by our annual "weighted average cost of capital" (WACC) which was 10% for 2012 **Controllable Capital** is our working capital (accounts receivable plus inventory, minus the sum of accounts payable, deferred revenue and customer deposits), plus the sum of property, plant and equipment, other current assets excluding taxes, and capitalized software, minus the sum of accrued payroll and employee benefits liabilities and other current liabilities, excluding taxes and severance **Weighted Average Cost of Capital** (WACC) is defined as the sum of: a) the product of (i) the cost of equity, and (ii) the weighted market value of the Company's common shares outstanding + b) the product of (i) the cost of debt, and (ii) the weighted market value of the Company's long-term and short-term debt	Changes in Assets, Liabilities & Stockholders' Equity on our Balance Sheet	Efficient use of Capital (Assets, Debt and Stock)
=	=		
NPOICC	Non-Pension Operating Income minus Capital Charge (NPOICC)	Changes in our Stock Price, Market Capitalization, and Enterprise Value	Create Sustainable Enterprise Value for Stockholders

We exclude the impact of our pension expense and special items from our Core Financial Objective since they do not directly relate to an NEO's performance or the Company's operational success. We take into consideration capital charges for the year, because these charges represent our cost of capital as used in our operations and corporate activities. By incorporating capital charges into the performance measure, we are able to ensure the NEOs consider the short- and long-term impact of their decisions. The long-term impact is based on charging a

cost of capital for long-term assets to reflect our investors' assumed expected return on equity capital. The short-term financial consequence is based on the charge associated with working capital items such as accounts receivable, inventory and other current assets. As a result, we expect the Core Financial Objective to motivate the NEOs to prudently manage our assets as they work to increase revenue and lower operating costs.

The Committee established the 2013 NPOICC Core Financial Objective for threshold, target, and maximum performance at $550 million, $590 million and $650 million, respectively. These levels are substantially greater than the threshold, target, and maximum performance levels established for 2012 which were $440 million, $460 million and $540 million, respectively. The 2013 threshold NPOICC goal represented a 13% increase over the 2012 actual NPOICC of $486 million, which again aligns the financial performance of our variable pay plans to outstanding results that must be delivered for stockholders.



2013 NEO Individual Performance Modifier. The Committee established multiple MBOs for each participating NEO as described below. These MBOs were selected because they directly complement our corporate strategic goals of:

- Growing revenue;
- Expanding margins;
- Improving the customer experience so that it provides a competitive advantage;
- Continuing to shift the focus towards software, software-as-a-service (SaaS) 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; and
- Delivering disruptive innovation across all industries.

2013 MIP Performance Results and Payouts. The following is a summary of the MIP results and the incentive award payouts approved for each participating NEO for the 2013 performance year. NPOI for the year was $717 million, which exceeded the threshold NPOI objective of $670 million for the 2013 performance year that was a condition for any payout under the MIP. While NPOICC performance against our internal annual incentive plan financial metrics resulted in an earned payout of 103.3% of target, some internal performance measures did not meet management's internal stretch objectives. Therefore, the Committee and the CEO determined that the MIP payout for our NEOs would be reduced to 45% of target (before adjustment for individual performance). The

CEO communicated to the Committee that any funding of his own MIP award over 45% would be inappropriate and the Committee considered this when determining his MIP payout for 2013.

Summary of the Management Incentive Plan (MIP) Performance Objectives for 2013					
	2013 Performance Objectives ($M)				
MIP Discretionary Objectives	Threshold *(25% Funded)*	Target *(100% Funded)*	Maximum *(200% Funded)*	2013 Performance Results ($M)	2013 MIP Payout Funded
Core Financial Objective	$550	$590	$650	NPOI Results $717 Less: Capital Charge $(125) NPOICC Result $592	Calculated at 103.3% of Target (Funded at 45.0% of Target)
Customer Success Objective	Payout linked to the Company's overall Customer Satisfaction			Below Expectations	0%

Following is a summary of the MBOs established by the Committee and the MIP payouts approved for each participating NEO for the 2013 performance year.

William Nuti's 2013 Objectives:

Successful strategic repositioning and corporate transformation as reflected in increased market share, quality of revenue and earnings, increased geographic diversification, successful acquisition integration, capital efficiency and increased stockholder return.

Since the MIP funding was reduced to 45% and the Customer Success bonus was not awarded, Mr. Nuti communicated to the Committee that any adjustment to his MBO over 100% would be inappropriate. Although the Committee determined that Mr. Nuti's 2013 individual performance modifier deserved to be above 100% because of the outstanding leadership he demonstrated throughout the year and the financial results that his leadership helped produce, the Committee established Mr. Nuti's individual performance modifier at 100%, as opposed to making a determination based on his individual performance relative to achievement of his stated 2013 MBOs (summarized below).

- Strategic Execution
- Strong Financial Performance
- Shareholder Value Creation
- Successful Margin Expansion
- Capital Structure Strategy/Pension Strategy
- Risk Management
- Acquisition Integration
- Executive Talent Development

Robert Fishman's 2013 Objectives:

- Operating Income
- Enterprise Business Initiative Execution
- Software Plan Execution
- Organization Team/Talent
- Free Cash Flow Plan
- Days Receivables/Billing Outstanding
- Services Plan Execution
- Loss on Accounts Receivable

The Committee determined that Mr. Fishman's 2013 individual performance modifier is 100% to reflect his individual performance relative to achievement of his stated 2013 MBOs. This determination was based on the following performance factors: Mr. Fishman achieved the objectives set with respect to Enterprise Business Initiative Execution, Loss on Accounts Receivable, Operating Income and Organization Team/Talent, but he did not achieve the objectives in all other categories.

John Bruno's 2013 Objectives:

- Operating Income
- Innovation and Research & Development Execution
- Organization Team/Talent
- Software Plan Execution
- Acquisition Integration
- Business Development Execution

The Committee determined that Mr. Bruno's 2013 individual performance modifier is 100% to reflect his individual performance relative to achievement of his stated 2013 MBOs. This determination was based on the following performance factors: Mr. Bruno exceeded the objectives set with respect to Acquisition Integration, Innovation and Research & Development Execution, and Business Development Execution. Mr. Bruno either met or did not achieve the objectives in all other categories.

Peter Dorsman's 2013 Objectives:

- Operating Income Forecasting Accuracy/ Execution
- Continuous Improvement Cost Reduction
- Organization Team/Talent
- Services Delivery Execution
- Acquisition Integration
- Enterprise Quality Improvement

The Committee determined that Mr. Dorsman's 2013 individual performance modifier is 0% to reflect his individual performance relative to achievement of his stated 2013 MBOs. This determination was based on the following performance factors: Mr. Dorsman did not achieve the objectives set with respect to Services Delivery Execution, Enterprise Quality Improvement, and Operating Income and Forecasting Accuracy/Execution. Due to the significance of these objectives it was determined that Mr. Dorsman's bonus would be $0 for 2013.

Jennifer Daniels's 2013 Objectives:

- Litigation Management
- Organization Team/Talent
- Business Support
- Ethics and Compliance
- Expense Management/Forecast Accuracy

The Committee determined that Ms. Daniels's 2013 individual performance modifier is 102% to reflect her individual performance relative to achievement of her stated 2013 MBOs. This determination was based on the following performance factors: Ms. Daniels met or exceeded objectives set with respect to all categories other than Litigation Management, where she did not achieve the internal target.

The following is a summary of the total annual bonus payments approved for each participating NEO for the 2013 performance year.

Summary of Management Incentive Plan (MIP) Participation and Payout for 2013

Name	2013 Target MIP	MIP Payout Earned as % of Target	Funded MIP Payout (Before IPM)[1]	Individual Performance Modifier	MIP Payout (After IPM)	Customer Success Payout (10% Target)	Total Bonus Payout
William R. Nuti	$1,400,000	45%	$630,000	100%	$630,000	$0	$630,000
Robert P. Fishman	$525,000	45%	$236,000	100%	$236,000	$0	$236,000
John G. Bruno	$550,000	45%	$248,000	100%	$248,000	$0	$248,000
Peter A. Dorsman	$550,000	45%	$248,000	0%	$0	$0	$0
Jennifer M. Daniels	$375,000	45%	$169,000	102%	$172,500	$0	$172,500

(1) Funded MIP was decreased from 103.3% of target to 45% of target.

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

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

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

2013 Annual LTI Equity Awards. The use of equity for our long-term incentive plan links our executives and stockholders to a common goal: sustainable stockholder value creation. The combination of performance-based shares, which create commonality of interests with stockholders, and time-based shares, which help manage our ability to retain our key executives, provides a good balance to our executives and protection to our stockholders since wealth creation can be "realizable" by an executive only when both long-term performance goals and time-based milestones are achieved.

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

Award Mix. The 2013 annual equity award mix is 75% performance-based restricted stock units and 25% time-based restricted stock units for our NEOs. This mix is consistent with our objective of keeping a significant portion of our variable compensation as performance-based and aligned with stockholder interests, while balancing the need to maintain a certain level of retention through time-based milestones.

Time-based Awards. Time-based restricted stock units awarded in 2013 vest 100% on February 25, 2016. These equity awards are subject to the executive's continued employment with the Company on the vesting date along with certain other rules in the event of death, disability, termination without cause, termination for good reason and change in control. These provisions are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 55 of this proxy statement.

Performance-based Awards. Performance-based restricted stock units awarded in 2013 have a two-year performance period with NPOICC as the secondary performance metric. However, the Company must achieve a 2013 return on capital ("ROC") performance threshold of 20% (the primary performance metric) before any

performance-based restricted stock units can be earned. ROC is calculated by dividing NPOI by Controllable Capital, which represents the working capital that the management team has deployed at any given time. A 20% ROC performance threshold is a significant hurdle that ensures no performance-based restricted stock units can be earned if the Company does not generate enough ROC during the performance period to sustain and grow the business. This practice serves to mitigate risk in a challenging year and also protects the interests of our stockholders.

Award Levels. The maximum share payout for performance-based restricted stock units awarded in 2013 is 125% of the target award level compared to the 150% maximum award level that was in effect for performance-based restricted stock units awarded in 2011 and 2012. The calculation of the number of shares earned is based on NPOICC. The 2013 performance-based LTI award will be adjusted based on achievement of the actual 2013 NPOICC compared to target. If the payout earned for 2013 is less than 100% of the target award level, this result is interpolated between 25% and 100% of target and becomes the actual award payout that is subject to the time-based vesting requirement that commences following the 2014 performance period. If the payout earned for 2013 is greater than 100% of the target award level, the Company must also achieve NPOICC results for 2014 at least equal to the 2013 NPOICC target to retain the above-target award payout level. If the actual 2014 NPOICC is less than the 2013 target NPOICC, the actual award is reduced to the target award payout level. This two-year performance period structure ensures that if an above-target payout is earned in year one, target results must also be sustained during year two of the performance period in order to achieve an above target payout.

Vesting. Any 2013 performance-based restricted stock unit payout earned following the end of the two-year performance period in 2014 will vest on October 25, 2016. All of our equity awards are subject to the executive's continued employment with the Company on the vesting date along with certain other rules in the event of death, disability, termination without cause, termination for good reason and change in control. These provisions are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 55 of this proxy statement.

2013 Results. The NPOICC result achieved for 2013 was $592 million. For our 2012 performance-based restricted stock unit award, the 2012 NPOICC of $486 million resulted in a preliminary award of 127.8% of target. Since the 2013 NPOICC of $592 million exceeded the 2012 target NPOICC of $450 million, the performance-based awards granted on February 28, 2012 will be awarded at 127.8% of target and will vest 50% on February 28, 2015 and 50% on October 28, 2015. For our 2013 performance-based restricted stock unit award, the 2013 NPOICC resulted in an earned payout of 100.8% of the target number of performance shares granted on February 25, 2013. Provided that the 2014 NPOICC results achieved are greater than or equal to the 2013 NPOICC target of $590 million, the 2013 performance-based restricted stock units earned will be 100.8% of target and will vest on October 25, 2016.

Below is a historical view of how the Company has paid out on the annual performance-based restricted stock unit awards granted.

	Annual LTI Award Performance Goals, Results and Payouts				
LTI Award Year	**Annual LTI Award Performance Period**	**Annual LTI Performance Range ($M) (NPOICC)**	**Return on Capital Results**	**NPOICC Results ($M)**	**LTI Final Payout[1]**
2013	1/1/2013 to 12/31/2014	$530 to $650	57.5%	$592	100.8% or 100.0%
2012	1/1/2012 to 12/31/2013	$420 to $515	58.5%	$486	127.8%
2011	1/1/2011 to 12/31/2012	$200 to $290	47.8%	$297	150%

(1) The payment for the 2013 annual performance-based LTI award is contingent upon the Company's final NPOICC performance results for 2014, where the final payment will be 100.8% if the 2014 NPOICC results are greater than or equal to $590 million. The final payment will be 100% if the 2014 NPOICC results are less than $590 million.

2013 Ad Hoc LTI Awards. The Committee did not approve any equity awards granted outside the annual award process, known as ad hoc awards, to any NEO in 2013. Long-term equity incentive awards to the NEOs during 2013 are summarized as follows:

	2013 Annual LTI Award Value[1]		
Name	Performance-Based RSU Award Value (75%)	Time-Based RSU Award Value (25%)	Total Annual LTI Award Value
William R. Nuti	$3,749,990	$1,250,006	$4,999,996
Robert P. Fishman	$487,519	$162,488	$650,007
John G. Bruno	$487,519	$162,488	$650,007
Peter A. Dorsman	$562,505	$187,493	$749,998
Jennifer M. Daniels	$337,492	$112,506	$449,999

(1) Represents the "grant date fair value" of the LTI awards granted in 2013, as summarized on the "Grants of Plan-Based Awards for 2013" table on page 50 of this proxy statement.

Economic Profit Plan (EPP). The EPP is designed to further link the incentive compensation of the participants to the long-term, sustainable creation of stockholder value and to strike a balance with the dilution that can occur with equity based awards. The financial metric used for the 2013 EPP is the Company's 2013 "economic profit." Economic Profit ("EP") is defined as the (i) Company's non-pension operating income ("NPOI") less (ii) the Company's Weighted Average Cost of Capital ("WACC") multiplied by Controllable Capital.

For 2013 the Committee chose to align the WACC calculation between the NPOICC and the EPP at a fixed rate of 10.0% for the 2013 performance year since there was little deviation between the static and dynamic WACC calculation during 2012. The Committee will continue to measure WACC quarterly and will consider using a dynamic WACC again for EPP when the deviation from the static WACC is material. In addition, during 2013 the Committee amended the definition of "Cash Flow from Operations" to exclude extraordinary contributions/ payments made by the Company in connection with the Company's pension strategy or other extraordinary cash items as determined by the Committee. This amendment will reinforce long-term strategic decision-making, and will therefore strengthen the alignment between our NEOs and our stockholders.

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 2013, the Committee assigned to each executive participating in the EPP a specified percentage of the Company's economic profit. The maximum percentage of our economic profit that an NEO or other participant may receive for any performance year is 5.0%. This percentage is referred to as a participant's "carried interest" in the Company's economic profit and represents the participant's opportunity to receive annual cash payouts. Each year, a participant receives a "bonus credit" award equal to his or her carried interest percentage of economic profit for that year. The bonus credit is credited to the participant's account, known as a "Bonus Bank," under the EPP. This credit may be positive or negative. Therefore, future year payments may not correlate to an individual year's performance, as the Bonus bank value is dependent upon multi-year performance. The EPP provides that participants receive a payout equal to 33% of the balance of their Bonus Bank in August of the following year, provided that the Company also passes the annual cash flow test.

The EPP provides that, under this cash flow test, the Company's annual Cash Flow from Operations 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 under the EPP in excess of $10 million dollars in the calendar year, the amount of the bonus in excess of $10 million dollars will not be paid in such year. The excess amount will remain in the participant's Bonus Bank, without interest. The first payment under the EPP was made August 10, 2012.

A participant forfeits the amount held in his or her Bonus Bank in the event of a voluntary termination of employment without good reason or an involuntary termination for cause. However, there are special rules in the event of retirement, death, disability, involuntary termination without cause, termination for good reason, or a termination following a qualifying change in control which are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 55 of this proxy statement.

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

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

2013 Economic Profit Results, EPP Bonus Credit Awards and Payouts. Economic profit for the 2013 performance year was $592 million. Also, the Company exceeded the cash flow test requirement under the EPP since Adjusted Cash Flow from Operations of $485 million was greater than 1% of total revenues for 2013 (or $61 million).

Summary of the Economic Profit Calculation and EPP Cash Flow Test Results for 2013

Economic Profit Calculation ($M)			**EPP Cash Flow Test ($M)**	
NPOI (as reported)		$ 717	Cash Flow from Operations[1]	$485
Controllable Capital	*$1,246*		Total Revenues	$6,123
WACC	*10%*		Cash Flow Hurdle Rate (% of Total Revenues)	1%
Less: Capital Charge		$(125)	Cash Flow Hurdle Amount	$61
Economic Profit		$ 592	Cash Flow Test Passed	

(1) Cash Flow from Operations is net cash provided by (used in) operating activities (in 2013, $281 million), adjusted to exclude: (i) 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) (in 2013, $204 million), and (ii) any other extraordinary items that the committee administering the EPP determines should be excluded on a case-by-case basis (in 2013, $0).

The participation level of each NEO and the amounts earned under the EPP for the 2013 performance year are summarized as follows:

Summary of 2013 Economic Profit Plan Participation, Bonus Credit Awards, and Cash Payout						
Name	2013 EPP Carried Interest	Ending 2012 Bank Balance (After 2012 Payout)	2013 EP Bonus Credit Award (Before Payout)	Bank Balance (Before 2013 Payout)(1)	2013 EP Cash Payout(2)	2013 EPP Bank Balance (After 2013 Payout)
William R. Nuti	1.15%	$6,254,661	$6,808,000	$13,062,661	$4,310,678	$8,751,983
Robert P. Fishman	0.15%	$707,290	$888,000	$1,595,290	$526,446	$1,068,844
John G. Bruno	0.15%	$1,414,580	$888,000	$2,302,580	$759,851	$1,542,729
Peter A. Dorsman	0.15%	$1,198,232	$888,000	$2,086,232	$688,457	$1,397,775
Jennifer M. Daniels	0.10%	$635,174	$592,000	$1,227,174	$404,967	$822,207

(1) 33% of the Bank Balance (before 2013 payout) is the EP Cash Payout.
(2) Payable August, 2014 in accordance with the terms and conditions of the EPP.

Update on Prior Performance-Based Restricted Stock Unit Awards

2011 Restricted Stock Award to our CEO. In 2011, the Committee granted a special, one-time, time-based restricted stock retention award to our CEO. In 2012 the Committee added performance-based vesting conditions to the award, placing it 100% at risk. Vesting of the award was conditioned upon the Company achieving a 2013 NPOICC goal and a peer-group relative total shareholder return for the period of January 1, 2012 to December 31, 2013. In January 2014, the Committee certified that the performance conditions for this award were achieved and the award vested on February 7, 2014.

2011 Performance-Based Restricted Stock Units. In 2011, the Committee granted performance-based restricted stock units to our NEOs. The awards were granted with a two-year performance period that commenced January 1, 2011 and ended December 31, 2012. The number of shares earned could range, according to the level of performance achieved, from a threshold of 25% to a maximum of 150% of the performance-based units granted. In February 2013, the Committee certified that the performance condition for these awards was achieved at 150% of target. The awards also had a threshold performance target of 20% ROC, which was also achieved. These awards will vest on March 3, 2014, subject to the executive's continued employment with the Company on the vesting date along with certain other rules in the event of retirement, death, disability, termination without cause, termination for good reason, and change in control which are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 55 of this proxy statement.

2012 Performance-Based Restricted Stock Units. In 2012, the Committee granted performance-based restricted stock units to our NEOs. The awards were granted with a two-year performance period that commenced January 1, 2012 and ended December 31, 2013. The number of shares earned could range, according to the level of performance achieved, from a threshold of 25% to a maximum of 150% of the performance-based units granted. In February 2014, the Committee certified that the performance conditions for these awards were achieved at 127.8% of target. The awards also had a threshold performance target of 20% ROC, which was also achieved. These awards will vest 50% on February 28, 2015 and 50% on October 28, 2015, subject to the executive's continued employment with the Company on the vesting date along with certain other rules in the event of retirement, death, disability, termination without cause, termination for good reason and change in control which are described in the Potential Payments Upon Termination or Change in Control section beginning on page 55 of this proxy statement.

2014 Annual Long-Term Incentive Program

2014 Annual LTI Awards. The design of the 2014 LTI awards for our NEOs remains consistent with the 2013 design. The 2014 LTI awards are 75% performance-based restricted stock units and 25% time-based

restricted stock units. This mix balances our desire to keep a significant portion of pay performance-based with the need to maintain a certain level of retention value. The performance-based awards are subject to a two-year performance period. The awards granted on February 24, 2014 have a maximum payment of 125% of target. The number of shares earned as part of the 2014 LTI award will be determined initially based on the NPOICC achieved during the 2014 fiscal year (between a threshold, target, and maximum payout objective) and, to the extent the number of shares earned exceeds 100% (or a payout above target), the number of shares earned will be further adjusted based on the NPOICC achieved during the 2015 fiscal year. In this case, the Company must also achieve NPOICC results for the 2015 fiscal year at least equal to target NPOICC set for the 2014 fiscal year, or the final payout will be reduced to 100% of the target number of shares granted. If a payout is earned for the 2014 performance-based restricted stock units, the shares earned will vest 100% on October 24, 2017. The time-based awards will vest 100% on February 24, 2017. Both the performance-based and time-based portions of the 2014 Annual LTI award are subject to the executive's continued employment with the Company on the vesting date along with certain other rules in the event of death, disability, termination without cause, termination for good reason and change in control which are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 55 of this proxy statement.

2014 Economic Profit Plan. EPP awards will continue to be a portion of the overall LTI award value granted to the CEO and other executives that would otherwise be granted as restricted stock units under the SIP. Each participating executive will receive a carried interest in the EPP that provides an opportunity for a cash payout based on the economic profit earned under the EPP which will be determined based on NPOI after a reduction for our WACC multiplied by our Controllable Capital.

The long-term incentive awards granted to each NEO for the 2014 fiscal year are summarized as follows:

	2014 Annual LTI Award Value[1]			
Name	Performance-Based RSU Award Value (75%)	Time-Based RSU Award Value (25%)	Total Annual LTI Award Value	2014 EPP Participation
William R. Nuti	$3,750,000	$1,250,000	$5,000,000	0.90% Carried Interest
Robert P. Fishman	$562,500	$187,500	$750,000	0.15% Carried Interest
John G. Bruno	$1,275,000	$425,000	$1,700,000	0.20% Carried Interest
Peter A. Dorsman	$337,500	$112,500	$450,000	0.05% Carried Interest
Jennifer M. Daniels	$337,500	$112,500	$450,000	0.10% Carried Interest

(1) Represents the 2014 LTI dollar value approved by the Committee for each award.

Executive Perquisites. Our executives are eligible for a limited offering of perquisites, which do not comprise a significant amount of our executive compensation program. They include financial counseling, executive medical exam, relocation benefits and also, with respect to our CEO, occasional hotel accommodation, limited use of corporate aircraft, and security expenses. The perquisites we provide support our objective to attract and retain high quality talent and are designed to allow our executives to focus on their business responsibilities with less concern for the situations covered by these perquisites. In 2013, the Committee approved an increase to our CEO's annual personal use allowance of the Company's aircraft to $75,000 based on the Internal Revenue Service's standard industry fare level. The previous allowance of $50,000 had been in effect since 2008 and was deemed by the Committee to no longer be competitive with market practices. A more detailed description of these perquisites and the incremental costs to the Company associated with providing each of these perquisites to the NEOs are contained in the Perquisites Table and the footnotes to the Perquisites Table on page 47 of this proxy statement.

The Committee has discontinued all tax reimbursements (or tax gross-ups) with the exception of those provided in connection with relocations required by the Company, which are generally also provided to all non-executive

employees, and those that may be provided in the event of a qualifying termination following a change in control of the Company to participants in the Change in Control Severance Plan who entered the plan prior to January 28, 2010 (as discussed below).

Retirement Benefits. All of our U.S. defined benefit plans were closed to new entrants in 2004 and benefits were frozen as of December 31, 2006. The actuarial present values of the accumulated pension benefits as of the end of 2013 to Messrs. Fishman and Dorsman, our only NEOs who are entitled to benefits under our defined benefit pension plans, as well as other information about each of our plans in which our NEOs participate, are reported in the Pension Benefits Table and the narrative to that table beginning on page 54 of this proxy statement.

The Company maintains the NCR Savings Plan, a 401(k) plan, to which it made matching contributions in 2013. For most participants, the match amount was equal to 50% of the first 4% of each participant's eligible pay ($255,000 for 2013) contributed to the plan during 2013. Effective April 1, 2013, for customer engineers, retail technicians, and territory technical specialists, if they earned less than a prescribed amount of compensation with NCR during the prior calendar year (for 2013, the limit was $115,000), the matching contribution was equal to 50% of the first 7% of eligible compensation.

Change in Control Arrangements. If the Company considers transactions that could result in a change in control of the Company, we want to ensure that key members of management have incentives to remain during this process and evaluate potential transactions in an independent and objective manner that may maximize stockholder value. In 2006, we adopted the Change in Control Severance Plan. As described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 55 of this proxy statement, benefits under the Change in Control Severance Plan are paid only if both a qualifying change in control and a qualifying termination of employment occur (a "double-trigger").

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

Additional details regarding the payments and benefits provided to the NEOs upon satisfaction of the double-trigger are described in the *Potential Payments Upon Termination or Change in Control* section beginning on page 55 of this proxy statement.

Severance Benefits. To ensure that we offer competitive executive compensation programs, when appropriate, we believe it is important to provide reasonable severance benefits to our executives, including the NEOs. We do not have individual severance arrangements with our NEOs other than the CEO. The severance arrangement for the CEO was provided as a result of negotiations at the time of his hire in order to attract him to the Company. A description of the severance arrangement with our CEO is described in detail in the *Agreements with our Named Executive Officers* section on page 47 of this proxy statement.

After careful review and consideration of our workforce strategy and competitive severance practices, the Company took an action to amend the 2012 U.S. RIF Plan for all U.S. employees, including the NEOs, effective April 1, 2013, to provide reasonable and market-competitive severance benefits to U.S. employees, including our NEOs (other than the CEO) (when appropriate) based on specific guidelines established for each grade/position across the enterprise as opposed to the tenure/service-oriented formula previously provided under the 2012 U.S. RIF Plan. The Company believes this approach is a best practice that provides greater alignment with competitive severance practices.

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

- the payment, grant or vesting of such compensation was based on the achievement of financial results that were the subject of a restatement of the Company's financial statements, as filed with the Securities and Exchange Commission;
- the need for the restatement was identified within three years after the date of the first public issuance or filing of the financial results that were subsequently restated;
- the Committee determines in its sole discretion that the executive officer's negligence, fraud or misconduct caused or contributed to the need for the restatement; and
- the Committee determines in its sole discretion that it is in the best interests of the Company and its stockholders for the executive officer to repay or forfeit all or any portion of the compensation.

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

Stock Ownership Guidelines

We have adopted stock ownership guidelines for our NEOs to ensure that our NEOs maintain an equity interest in the Company at a level sufficient to assure our stockholders of our NEOs commitment to value creation. All NEOs have a five year period from the date of hire or, if applicable promotion, to achieve the stock ownership guidelines. For these purposes, stock ownership includes shares owned outright by the NEO, interests in restricted stock and restricted stock units, stock acquired through our employee stock purchase plan, and investments in NCR common stock through the Company's 401(k) plan (which investment option is not currently offered). Stock options are not taken into consideration in meeting the ownership guidelines.

As of December 31, 2013, all of our NEOs exceeded these guidelines.

Name	Stock Ownership Guideline *(multiple of base salary)*	Stock Ownership Achieved *(as of December 31, 2013)*
William R. Nuti	6.0 times	24.6 times
Robert P. Fishman	2.0 times	5.3 times
John G. Bruno	2.0 times	10.1 times
Peter A. Dorsman	2.0 times	10.6 times
Jennifer M. Daniels	2.0 times	4.4 times

Company Policy on Hedging

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

Tax Deductibility Policy

Under Section 162(m) of the Code, certain compensation in excess of $1 million annually is not deductible for federal income tax purposes unless it is awarded pursuant to a performance-based plan approved by stockholders. While we generally try to ensure the deductibility of the incentive compensation paid to our executives, the Committee has not adopted a policy that requires all compensation to be deductible because we want to preserve the ability to award cash or equity compensation to an executive that is not deductible under Section 162(m) if we believe that it is in our stockholders' best interests.

BOARD COMPENSATION AND HUMAN RESOURCE COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation and Human Resource Committee of the Board of Directors (the "Committee") manages the Company's compensation programs on behalf of the Board of Directors. The Committee reviewed and discussed with the Company's management the *Compensation Discussion and Analysis* included in this proxy statement. In reliance on the review and discussions referred to above, the Committee recommended to the Board of Directors that the *Compensation Discussion and Analysis* be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and the Company's proxy statement to be filed in connection with the Company's 2014 Annual Meeting of Stockholders, each of which will be filed with the Securities and Exchange Commission.

Dated: February 24, 2014

The Compensation and Human Resource Committee:

Linda Fayne Levinson, Chair
Gary J. Daichendt, Member
Robert P. DeRodes, Member

The Summary Compensation Table below shows the total compensation paid to or earned by each of our Named Executive Officers with respect to the fiscal years ending December 31, 2013, 2012, and 2011.

Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($) (e)[1]	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($) (g)[2]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (h)[3]	All Other Compensation ($) (i)[4]	Total ($) (j)
William R. Nuti	**2013**	1,000,000	—	4,999,996	—	4,940,678	—	210,004	11,150,677
Chairman of the Board,	**2012**	1,000,000	—	4,500,002	—	4,130,654	—	175,350	9,806,006
Chief Executive Officer	**2011**	1,000,000	—	6,303,479	—	4,272,875	—	129,189	11,705,543
and President									
Robert P. Fishman	**2013**	518,269	—	650,007	—	762,446	—	23,180	1,953,902
Senior Vice President	**2012**	493,151	—	600,002	—	779,616	20,665	22,972	1,916,406
and Chief Financial Officer	**2011**	443,056	—	680,954	—	817,574	60,709	56,507	2,058,800
John G. Bruno	**2013**	603,846	—	650,007	—	1,007,851	—	23,720	2,285,425
Executive Vice President,	**2012**	750,000	—	1,000,003	—	1,034,233	—	23,620	2,807,856
Industry & Field Operations	**2011**	750,000	—	1,807,251	—	1,475,787	—	23,425	4,056,463
and Corporate Development									
Peter A. Dorsman	**2013**	550,000	—	749,998	—	688,457	—	70,840	2,059,294
Executive Vice President,	**2012**	550,000	—	1,000,003	—	1,002,674	83,556	88,338	2,724,571
Services	**2011**	460,417	—	1,257,656	—	795,181	71,170	88,003	2,672,427
Jennifer M. Daniels	**2013**	500,000	—	449,999	—	577,467	—	23,180	1,550,646
Senior Vice President,							—		
General Counsel							—		
and Secretary									

(1) This column shows the aggregate grant date fair value, as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation ("FASB ASC Topic 718"), of the stock awards granted to each Named Executive Officer in the applicable year. See Note 8 of the Notes to Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 (our " 2013 Annual Report") for an explanation of the assumptions we made in the valuation of these awards. Assuming achievement of the highest level of performance, the aggregate grant date fair value of the performance-based restricted stock units granted in 2013 is as follows: Nuti: $4,687,488; Fishman: $609,399; Bruno: $609,399; Dorsman: $703,132: and Daniels: $421,866. For additional information about awards made in 2013, see the Grants of Plan-Based Awards For 2013 table on page 50 of this proxy statement.

(2) A significant amount of the compensation for the Named Executive Officers is at-risk and is earned based on Company and individual performance against pre-determined financial and strategic objectives. The amounts reported for 2013 show amounts earned under the MIP and the amounts to be paid in August 2014 for 2013 performance under the EPP. The amounts reported in 2013 are comprised of MIP: Nuti $630,000, Fishman $236,000, Bruno $248,000, Dorsman $0 and Daniels $172,500, plus EPP: Nuti $4,310,678, Fishman $526,446, Bruno $759,851, Dorsman $688,457 and Daniels $404,967.The amounts reported in 2012 are comprised of MIP: Nuti $1,050,000, Fishman $431,250, Bruno $337,500, and Dorsman $412,500, plus EPP: Nuti $3,080,654, Fishman $348,366, Bruno $696,733, and Dorsman $590,174. The amounts reported in 2011 are comprised of MIP: Nuti $2,682,440, Fishman $658,530, Bruno $1,157,700, and Dorsman $636,137, plus EPP: Nuti $1,590,435, Fishman $159,044, Bruno $318,087, and Dorsman $159,044.

(3) The aggregate change in actuarial values of the accumulated pension benefit under the Company's various qualified and nonqualified defined pension benefit plans, which are applicable only to Messrs. Fishman and Dorsman, were $(30,297) and $(186,401), respectively. Therefore, $0 is reflected in the table above for this column. For more information regarding pension benefits, see the 2013 Pension Benefits Table on page 54 of this proxy statement.

(4) The amounts reported in this column consist of the aggregate incremental cost to the Company of the perquisites provided to the Named Executive Officers, tax reimbursements made to the Named Executive Officers in connection with relocation expenses, any insurance premiums paid by the Company with respect to life insurance for the benefit of the Named Executive Officers and contributions made by the Company to the Savings Plan on behalf of the Named Executive Officers. Additional details regarding the amounts are included in the two supplemental tables, All Other Compensation Table and Perquisites Table below.

All Other Compensation Table

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

Name	Year	Perquisites and Other Personal Benefits ($) (a)[1]	Tax Reimbursements ($) (b)	Insurance Premiums ($) (c)[2]	Company Contributions to Retirement and 401(k) Plans ($) (d)[3]	Total ($)
William R. Nuti	**2013**	202,744	—	2,160	5,100	210,004
	2012	168,190	—	2,160	5,000	175,350
	2011	122,195	—	2,280	4,714	129,189
Robert P. Fishman	**2013**	17,000	—	1,080	5,100	23,180
	2012	17,000	—	972	5,000	22,972
	2011	44,269	9,711	912	1,615	56,507
John G. Bruno	**2013**	17,000	—	1,620	5,100	23,720
	2012	17,000	—	1,620	5,000	23,620
	2011	17,000	—	1,710	4,715	23,425
Peter A. Dorsman	**2013**	64,768	—	972	5,100	70,840
	2012	82,366	—	972	5,000	88,338
	2011	82,366	—	923	4,714	88,003
Jennifer M. Daniels	**2013**	17,000	—	1,080	5,100	23,180

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

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

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

Perquisites Table

The table below shows the aggregate incremental cost of perquisites provided to the Named Executive Officers during the years indicated in the table. For additional details on items in this table see the "Executive Perquisites" section in the *Compensation Discussion and Analysis* on page 41 of this proxy statement.

Name	Year	Corporate Aircraft Usage ($) (a)[1]	Lodging ($) (b)[2]	Security ($) (c)[3]	Relocation ($) (d)[4]	Executive Medical Program ($) (e)[5]	Financial Planning Allowance ($) (f)[6]	Total ($)
William R. Nuti	**2013**	107,486	1,373	76,885	—	5,000	12,000	202,744
	2012	90,207	5,347	55,636	—	5,000	12,000	168,190
	2011	16,642	4,902	83,651	—	5,000	12,000	122,195
Robert P. Fishman	**2013**	—	—	—	—	5,000	12,000	17,000
	2012	—	—	—	—	5,000	12,000	17,000
	2011	—	—	—	27,269	5,000	12,000	44,269
John G. Bruno	**2013**	—	—	—	—	5,000	12,000	17,000
	2012	—	—	—	—	5,000	12,000	17,000
	2011	—	—	—	—	5,000	12,000	17,000
Peter A. Dorsman	**2013**	—	—	—	47,768	5,000	12,000	64,768
	2012	—	—	—	65,366	5,000	12,000	82,366
	2011	—	—	—	65,366	5,000	12,000	82,366
Jennifer M. Daniels	**2013**	—	—	—	—	5,000	12,000	17,000

(1) The amounts in this column reflect the incremental cost to the Company of personal usage of the corporate aircraft. The incremental cost to the Company of personal usage of corporate aircraft was calculated by determining the variable operating cost to the Company, which includes items such as fuel, landing and terminal fees, crew travel expenses and operational maintenance. Expenses that were determined to be less variable in nature, such as general administration, depreciation, and pilot compensation, were not included in the determination of the Company's incremental cost. On occasion, other individuals traveled with Named Executive Officers on corporate aircraft; however, the Company incurred de minimis incremental costs as a result of such travel and no amounts are reported in the table with respect to such travel.

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

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

(4) The amounts in this column reflect the amounts paid to or on behalf of the Named Executive Officers in connection with their respective relocations.

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

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

Agreements with our Named Executive Officers

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

The Company entered into a letter agreement dated as of July 29, 2005 with Mr. Nuti when he became the Company's President and Chief Executive Officer. The letter agreement, which was amended July 26, 2006, and December 18, 2008, sets forth, among other things, Mr. Nuti's initial base salary, initial incentive and equity award opportunities, and the entitlement to participate in the Company's benefit plans. The letter agreement also

provides that in the event of termination of employment for any reason, Mr. Nuti is subject to an eighteen-month non-competition and non-solicitation provision, and a confidentiality provision. The terms of the arrangement, which were determined through the negotiation process, provide that in the event we terminate his employment (other than for cause) or if he were to voluntarily terminate employment for good reason, he would receive the payments and benefits listed below. The severance-related compensation and benefits listed below to be provided pursuant to the terms of the letter agreement are conditioned upon Mr. Nuti's execution of a release of claims against the Company and compliance with the restrictive covenants described above:

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

For purposes of the letter agreement with Mr. Nuti, the terms "cause" and "good reason" are defined by reference to the Change in Control Severance Plan, as described on page 55 of this proxy statement, except that the following additional items constitute "good reason" for Mr. Nuti to terminate his employment: (i) a reduction in his job title; (ii) a material adverse change in his position, office or duties (including removal or non-re-election to the Board); or (iii) a material breach of his letter agreement by the Company. In the event Mr. Nuti's employment was terminated in connection with a change in control, he would receive payments and benefits under the Change in Control Severance Plan described on page 55 of this proxy statement, and not under the letter agreement.

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

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

We entered into a letter agreement dated April 6, 2006 with Mr. Dorsman in connection with his appointment as Vice President and General Manager of the Company's Systemedia Division. The letter agreement sets forth, among other things, Mr. Dorsman's initial base salary, initial bonus opportunities, entitlement to participate in the Company's benefit plans and initial equity award. We have not entered into any subsequent letter agreements with Mr. Dorsman to reflect changes in his compensation or his position in the Company.

We entered into a letter agreement dated March 23, 2010 with Ms. Daniels when she was hired as our Senior Vice President, General Counsel and Secretary. The letter agreement sets forth, among other things, Ms. Daniels's initial base salary, initial bonus opportunities, entitlement to participate in the Company's benefit plans and initial equity award. The letter agreement also provides that in the event of termination of employment

for any reason, Ms. Daniels is subject to a twelve-month non-competition and non-solicitation provision, and a confidentiality provision. We have not entered into any subsequent letter agreements with Ms. Daniels to reflect changes to her compensation or her position in the Company.

Grants of Plan-Based Awards Table

The table that follows this discussion shows both non-equity and equity incentive plan awards granted during 2013 by the Committee to each of the Company's Named Executive Officers. Non-equity awards were made pursuant to the Company's Management Incentive Plan and Economic Profit Plan. Equity awards were made under the Company's 2011 Amended and Restated Stock Incentive Plan prior to the Company's 2013 Stock Incentive Plan being approved by stockholders in April 2013. Each of these plans is described in the *Compensation Discussion and Analysis*. These awards are described in detail below.

Non-Equity Incentive Plan Awards. There are a number of non-equity incentive plan awards reflected in the Grants of Plan-Based Awards Table, each of which is briefly described below.

2013 Management Incentive Plan. In 2013, the Committee approved a total target bonus opportunity for each of the Named Executive Officers pursuant to the MIP which, if earned, is payable in cash. This total target bonus is broken down into two components: (a) the MIP target bonus component (described in the table as "Annual Financial"), which was established for each participant; and (b) the Customer Success target bonus component (described in the table as "Customer Success"), which was established at 10% of base salary for all participants for 2013. Additional details regarding the MIP awards are described in the "Annual Incentive Plan" section of the *Compensation Discussion and Analysis*.

2013 Economic Profit Plan. In 2013, the Committee approved a participation percentage for each Named Executive Officer pursuant to the EPP, which will be payable in cash in accordance with the terms of the EPP. This specified percentage is referred to as the participant's carried interest which is outlined in more detail under the "Annual Long-Term Incentive Plan" section of the *Compensation Discussion and Analysis* and is described in the table as the "Economic Profit Plan."

Equity Incentive Plan Awards. There are a number of equity incentive plan awards granted under the Company's 2011 Amended and Restated Stock Incentive Plan reflected in the Grants of Plan-Based Awards Table, each of which is briefly described below. Additional details regarding the awards described below are in the "Annual Long-Term Incentive Plan" section of the *Compensation Discussion and Analysis.*

2013 Annual LTI Awards. During 2013, the Committee granted LTI awards consisting of 75% performance-based restricted stock units and 25% time-based restricted stock units to all Named Executive Officers as part of the annual awards process. Additional details regarding the LTI awards are described in the "2013 Annual LTI Equity Awards" section of the *Compensation Discussion and Analysis.*

2013 Ad Hoc LTI Awards. During 2013, the Committee did not grant ad hoc LTI equity awards to any of our NEOs.

Grants of Plan-Based Awards for 2013

Name	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			Estimated Future Payouts Under Equity Incentive Plan Awards[2]			All Other Stock Awards: Number of Shares of Stock or Units[3](#)	All Other Option Awards: Number of Securities Underlying Options(#)	Exercise or Base Price of Option Awards ($ / Sh)	Grant Date Fair Value of Stock and Option Awards[4] ($)
			Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
(a)	(b)	(b1)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
William R. Nuti	Annual Financial		350,000	1,400,000	4,200,000							
	Customer Success		—	100,000	100,000							
	Economic Profit Plan		—	4,310,678								
	Performance-Based RSU	2/25/2013				34,981	139,925	174,906				3,749,990
	Time-Based RSU	2/25/2013							46,642			1,250,006
Robert P. Fishman	Annual Financial		131,250	525,000	1,575,000							
	Customer Success		—	52,500	52,500							
	Economic Profit Plan		—	526,446								
	Performance-Based RSU	2/25/2013				4,548	18,191	22,739				487,519
	Time-Based RSU	2/25/2013							6,063			162,488
John G. Bruno	Annual Financial		137,500	550,000	1,650,000							
	Customer Success		—	55,000	55,000							
	Economic Profit Plan		—	759,851								
	Performance-Based RSU	2/25/2013				4,548	18,191	22,739				487,519
	Time-Based RSU	2/25/2013							6,063			162,488
Peter A. Dorsman	Annual Financial		137,500	550,000	1,650,000							
	Customer Success		—	55,000	55,000							
	Economic Profit Plan		—	688,457								
	Performance-Based RSU	2/25/2013				5,247	20,989	26,236				562,505
	Time-based RSU	2/25/2013							6,996			187,493
Jennifer M. Daniels	Annual Financial		93,750	375,000	1,125,000							
	Customer Success		—	50,000	50,000							
	Economic Profit Plan		—	404,967								
	Performance-Based RSU	2/25/2013				3,148	12,593	15,741				337,492
	Time-Based RSU	2/25/2013							4,198			112,506

(1) The amounts in columns (c), (d), and (e) reflect the potential award levels for each Named Executive Officer based on the 2013 Management Incentive Plan Objectives for Annual Financial and Customer Success. The Customer Success metric is "make or miss." The Economic Profit Plan (the "EPP") uses a formula to credit or debit participants' accounts (Bonus Banks) with a percentage (not to exceed 5.0%) of the Company's economic profit or loss each year and pays out a portion of each participant's Bonus Bank each year in accordance with the terms and conditions of 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 reported in the table above are the amounts that are expected to be paid in August 2014. We have not included a maximum amount since the maximum percent of economic profit that may be credited to any individual as a bonus credit for any particular performance period is 5% of the economic profit.

(2) The amounts in columns (f), (g), and (h) reflect the threshold, target, and maximum number of performance-based restricted stock units that could be received by each Named Executive Officer under the SIP.

(3) This column reflects time-based restricted stock units granted to the Named Executive Officers in 2013 under the SIP.

(4) This column reflects the grant date fair value, as determined in accordance with FASB ASC Topic 718, of each equity award listed in the table. The grant date fair value of each performance-based restricted stock unit award is based on the probable outcome of the performance conditions as of the date of grant. These grants are subject to a two-year performance period and an additional time-based vesting condition.

Outstanding Equity Awards at Fiscal Year-End for 2013

(footnote disclosure to this table begins on page 53 of this proxy statement.)

Name	Grant Date	Option Awards[1]					Stock Awards			
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(#)	Market Value of Shares or Units of Stock That Have Not Vested($)[2]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[2]
William R. Nuti										
	2/25/2013[3]						46,642	1,588,627		
	2/25/2013[4]								174,906	5,957,307
	2/28/2012[3]						52,059	1,773,130		
	2/28/2012[5]						199,595	6,798,222		
	2/22/2011[3]						55,432	1,888,014		
	2/22/2011[6]						249,446	8,496,131		
	2/7/2011[7]								107,031	3,645,476
	2/23/2010		63,552		12.81	2/22/2020				
Robert P. Fishman										
	2/25/2013[3]						6,063	206,506		
	2/25/2013[4]								22,739	774,482
	2/28/2012[3]						6,941	236,410		
	2/28/2012[5]						26,613	906,441		
	2/22/2011[3]						7,795	265,498		
	2/22/2011[6]						35,079	1,194,791		
	2/23/2010		4,622		12.81	2/22/2020				

Proxy Statement

Outstanding Equity Awards at Fiscal Year-End for 2013

(footnote disclosure to this table begins on page 53 of this proxy statement.)

		Option Awards [1]					Stock Awards			
Name	**Grant Date**	**Number of Securities Underlying Unexercised Options Exercisable (#)**	**Number of Securities Underlying Unexercised Options Unexercisable (#)**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(2)**
John G. Bruno										
	2/25/2013[3]						6,063	206,506	22,739	774,482
	2/25/2013[4]									
	2/28/2012[3]						11,569	394,040		
	2/28/2012[5]						44,354	1,510,706		
	2/22/2011[3]						23,386	796,527		
	2/22/2011[6]						105,236	3,584,338		
	2/23/2010		16,177		12.81	2/22/2020				
Peter A. Dorsman										
	2/25/2013[3]						6,996	238,284	26,236	893,607
	2/25/2013[4]									
	2/28/2012[3]						11,569	394,040		
	2/28/2012[5]						44,354	1,510,706		
	2/22/2011[3]						10,394	354,020		
	2/22/2011[6]						46,772	1,593,054		
	2/23/2010		8,378		12.81	2/22/2020				
Jennifer M. Daniels										
	2/25/2013[3]						4,198	142,984	15,741	536,147
	2/25/2013[4]									
	2/28/2012[3]						5,206	177,316		
	2/28/2012[5]						19,960	679,831		
	2/22/2011[3]						6,756	230,109		
	2/22/2011[6]						30,401	1,035,458		
	5/1/2010	16,299	5,434		13.16	4/30/2020				

(1) The awards in this column vest 25% on each anniversary of the grant date and will be fully vested on the fourth anniversary of the grant date.
(2) The market value was calculated by multiplying the number of shares shown in the table by $34.06, which was the closing market price on December 31, 2013, 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 125% of target. If performance goal achieved, 100% vests on October 25, 2016.
(5) Performance-based award where the performance period is satisfied. Vests 50% on February 28, 2015 and 50% on October 28, 2015.
(6) Performance-based award where the performance period is satisfied. Vested on March 3, 2014.
(7) Special retention grant. Performance goals were achieved. Vested on February 7, 2014.

The table below sets forth information for each Named Executive Officer with respect to: (i) the exercise of stock options in 2013; (ii) the vesting of restricted stock and stock unit awards during 2013; and (iii) the vesting of performance-based restricted stock units during 2013.

	Option Awards		Stock Awards	
Name (a)	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise ($) (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting ($) (e)
William R. Nuti	1,020,157	9,366,504	155,235	4,529,757
Robert P. Fishman	56,340	406,988	49,381	1,329,222
John G. Bruno	103,810	1,683,177	75,321	2,197,867
Peter A. Dorsman	138,280	2,456,116	44,671	1,274,120
Jennifer M. Daniels	—	—	27,853	813,308

Pension Benefits

The table following this discussion summarizes the present value of accrued benefits for the pension plans in which Messrs. Fishman and Dorsman participate. In 2004, we began transitioning our U.S. retirement program from a defined benefit to a defined contribution structure. In 2004, the Company closed its U.S. pension plans to new participants and froze pension benefits for existing U.S. participants under the age of 40. Effective December 31, 2006, our U.S. pension plans were frozen. Freezing the plans means that, while participants retain the pension benefits already accrued, no additional benefits will be earned after the effective date of the freeze. Since Messrs. Nuti and Bruno and Ms. Daniels joined the Company after the plans had been closed to new participants, they are not eligible for benefits under our defined benefit pension plans.

NCR Pension Plan. The NCR Pension Plan is a non-contributory, qualified pension plan that previously covered all NCR employees based in the U.S. The NCR Pension Plan pays a monthly pension benefit and a cash balance benefit; the latter is credited with interest. These interest credits will continue despite the plan being frozen until commencement of payment of the PensionPlus benefit to a participant. Messrs. Fishman and Dorsman are the only Named Executive Officers who participate in the NCR Pension Plan.

NCR Nonqualified Excess Plan. Until February 25, 2013, as described below, the Company also maintained the NCR Nonqualified Excess Plan (the "Excess Plan"), which paid the additional pension benefits that would be paid under the NCR Pension Plan if certain federal limits on the amount of pay that may be considered under the NCR Pension Plan were not in effect. Benefits were calculated in the same way as under the NCR Pension Plan, and the benefits vested after the earlier of three years of service or attaining age 65. However, if the participant terminated from the Company prior to reaching age 55, the entire benefit would be forfeited. Mr. Dorsman was the only Named Executive Officer who was a participant in the Excess Plan.

Supplemental Retirement Plan. Until February 25, 2013, as described below, the Company also maintained a supplemental retirement plan for senior managers called the Retirement Plan for Officers of NCR (the "Officer Plan"). This plan covered senior managers appointed to specified executive levels after November 30, 1988. The

Officer Plan paid monthly benefits in an amount equal to 2.5 percent of career average monthly pay for service after becoming a plan participant minus any monthly benefit under the NCR Pension Plan, other than PensionPlus, and any other NCR defined benefit plans related to the same service, and determined as of December 31, 2006. A participant became vested in the Officer Plan upon the earlier of completion of five years of service and death while employed by the Company. The full monthly pension benefit under the Officer Plan may begin at age 62, but could be started between age 55 and 62 in a reduced amount at the option of the participant after the participant terminated employment. Mr. Dorsman is the only Named Executive Officer who was a participant in the Officer Plan.

Termination of Excess Plan and Officer Plan. On February 25, 2013, the Compensation and Human Resource Committee terminated the Excess Plan and the Officer Plan. In connection with the termination, Mr. Dorsman received a lump sum payment of $142,493 which was paid on June 7, 2013, at the same time payments were made to other Internal Revenue Code Section 409A grandfathered participants.

2013 Pension Benefits Table

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (2) ($)
William R. Nuti(1)		N/A	N/A
Robert P. Fishman	NCR Pension Plan	15.6	219,438
William R. Nuti(1)		N/A	N/A
Peter A. Dorsman	NCR Pension Plan	20.3	238,430
Jennifer M. Daniels(1)		N/A	N/A

(1) Messrs. Nuti and Bruno and Ms. Daniels are not participants in, nor eligible with respect to, any of the Company's pension plans because all of the U.S. plans were closed to new participants prior to their respective employment dates.

(2) See Note 9 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 for a discussion of the relevant assumptions used in quantifying the present value of the current accrued benefit as reported in the Pension Benefits Table.

The tables below show the amount of compensation that would have been paid, and/or benefits that would have been provided, to each of the Named Executive Officers in the event of specific types of terminations of each such executive's employment on December 31, 2013. The tables also show the "full walk-away" number for each Named Executive Officer.

A description of potential payments and benefits and treatment of equity upon termination or change in control is provided below. See "Retirement Benefits", "Change in Control Arrangements", and "Severance Benefits" sections in the *Compensation Discussion and Analysis* for additional information about such items.

Change in Control Severance Plan

Under the Amended and Restated NCR Change in Control Severance Plan, (the "Change in Control Severance Plan"), benefits are paid only if both a Change in Control and a qualifying termination of employment occur. The compensation and/or benefits provided to each participant are based upon a "tier" level and conditioned upon such participant's execution of a restrictive covenant and release agreement that includes confidentiality provisions and eighteen-month non-competition and non-solicitation provisions. Each Named Executive Officer participated in the Change in Control Severance Plan in 2013. Under this plan, if the executive's employment is terminated by the Company other than for cause, death or disability, or if the executive resigns for good reason within two years after a change in control (or within six months prior to a change in control, if the executive can demonstrate that the termination occurred in connection with a change in control), then the Company or its successor will be obligated to pay or provide the following benefits:

- A lump sum payment equal to 300 percent of the executive's annual base salary and target bonus opportunity under the Management Incentive Plan for Tier I (Mr. Nuti), and 200 percent of the executive's annual base salary and target bonus opportunity under the Management Incentive Plan for Tier II (the other Named Executive Officers);
- A lump sum payment equal to a pro rata portion of the current year's target bonus opportunity under the Management Incentive Plan, based on the number of days in the year prior to the date of termination;
- Medical and dental benefits and life insurance coverage for the executive and his or her dependents at the same level he or she received during his or her employment for a period of three years for Tier I (Mr. Nuti) and two years for Tier II (the other Named Executive Officers);
- Outplacement assistance for a period of one year; and
- An excise tax gross-up, if applicable, only for individuals who were participants in the Change in Control Severance Plan prior to January 28, 2010.

The term "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.

The term "good reason" generally means: (i) a reduction in duties or reporting requirements; (ii) a reduction in base salary; (iii) failure to pay incentive compensation when due; (iv) a reduction in target or maximum incentive opportunities; (v) failure to continue the equity award or other employee benefit programs; (vi) a relocation of an executive's office by more than forty miles; or (vii) failure by a successor to assume the Change in Control Severance Plan.

The term "change in control" generally means any of the following: (i) an acquisition of 30% or more of our stock by any person or group, other than the Company, our subsidiaries or employee benefit plans; (ii) a change in the membership of our Board of Directors, such that the current incumbents and their approved successors no longer constitute a majority; (iii) a reorganization, merger, consolidation or sale or other disposition of

substantially all of our assets in which any one of the following is true – the stockholders of NCR immediately preceding 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 the members of our Board of Directors (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 Economic Profit Plan Bonus Bank upon Change in Control. Upon a change in control each Named Executive Officer will be entitled to receive 100% of the Bonus Bank within 30 days of the date of the change in control.

Treatment of Equity upon Termination in Connection with a Change in Control

Stock Options and Restricted Stock Units. Under the Stock Incentive Plan and applicable award agreements, the timing of any accelerated vesting depends upon whether the acquirer assumes the awards. If the acquirer does not assume the awards, the Named Executive Officer's unvested options will vest and become exercisable and unvested restricted stock units (RSUs) will vest upon a change in control. If the acquirer does assume the awards, the unvested options and RSUs will vest and, in the case of options, become exercisable if the Company terminates the Named Executive Officer's employment within 24 months following the change in control for a reason other than cause or disability or, if the Named Executive Officer is subject to the NCR Change in Control Severance Plan or other applicable severance plan, and such Named Executive Officer terminates his employment for good reason within that 24-month period. Such stock options generally will remain exercisable until the earlier of: (i) the first anniversary of the date of termination of employment; and (ii) the expiration of the term of the stock option.

Performance-Based Equity. Under the Stock Incentive Plan and applicable award agreements, the timing of the vesting of performance-based equity depends upon whether the acquirer assumes the awards. If the acquirer does not assume the awards, they will vest immediately, based on:

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

If the acquirer does assume the awards in connection with the change in control, the awards will vest at the end of the original vesting period based on:

- target amounts if less than one-half of the applicable performance was complete at the time of the change in control; and
- actual results if at least one-half of the applicable performance period was complete at the time of the change in control.

If the Company terminates a Named Executive Officer's employment within 24 months following the change in control for a reason other than cause or disability or, if the Named Executive Officer is subject to the NCR Change in Control Severance Plan or other applicable severance plan, and such Named Executive Officer terminates his employment for good reason within that 24-month period, the awards will vest immediately based on:

- target amounts if less than one-half of the applicable performance was complete at the time of the change in control;
- actual results if at least one-half of the applicable performance period was complete at the time of the change in control.

Treatment of Equity upon Termination

Under the Stock Incentive Plan, the treatment of outstanding equity awards held by our NEOs upon termination of employment 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.

Stock Options. In general, any unvested stock options held by our NEOs will vest and become exercisable upon termination of the officer's employment due to death or long-term disability and will remain exercisable for specified periods of time governed by the NEO's age at the time of death or disability. Unvested stock options held by NEOs are forfeited upon termination of an NEO's employment due to retirement, an involuntary termination of employment without cause or voluntary resignation, and all unexercised stock options, whether vested or unvested, are forfeited upon termination of employment for cause.

Restricted Stock Units (RSUs). The treatment of unvested RSUs held by our NEOs upon termination of employment due to death, disability or involuntary termination without cause varies depending on the year of the grant. The most recent agreements provide for pro rata vesting of a portion of unvested RSUs upon such termination, and for awards granted prior to 2012, a pro rata portion of unvested RSUs will vest in the event of retirement. The pro rata portions are determined based on the length of service during the applicable vesting period. All unvested RSUs are forfeited upon our NEOs' voluntary resignation or termination of employment for cause.

Performance-Based Restricted Stock Units. In general, a pro rata portion of any unvested performance-based restricted stock units held by an NEO will vest at a calculated date (depending upon the year of issuance of the grant) for termination of employment due to death, disability, retirement (with respect to retirement, only in the case of awards granted prior to 2012) or an involuntary termination of employment without cause. Such pro rata portion is determined based on the length of service during the applicable vesting period and the Company's achievement of performance objectives. All unvested performance-based restricted stock units held by our NEOs are forfeited upon our NEOs' voluntary resignation or termination of employment for cause.

In addition, 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 the participant's employment or within the twelve months following his or her employment, the participant competes with the Company, induces or attempts to induce any Company employee to terminate his or her employment with the Company, or solicits business from firms or companies (including customers) with which the participant worked during the two years prior to the participant's termination. Equity awards are also subject to forfeiture if the participant fails to keep the terms of the award agreement confidential, or engages, as determined by the Committee, in misconduct in connection with the participant's employment.

Treatment of Economic Profit Plan Bonus Bank upon Termination

Resignation or Termination for Cause. A voluntary resignation or termination for cause would result in immediate forfeiture of the entire Bonus Bank.

Other Forms of Termination. Our NEOs will receive a bonus credit to their Bonus Bank for the current performance period through the end of the quarter in which the termination occurs. The NEOs will then receive a percentage of the Bonus Bank, as set forth below. The payments of the Bonus Bank will be made in four equal installments on each of the first four 6-month anniversaries of the termination other than payment in the case of death which will be made within 30 days. In the event the cash flow test under the EPP is not satisfied in the year prior to the year of termination, the first installment payment will be delayed and paid at the time of the second installment payment.

Involuntary Termination without Cause or a Resignation for Good Reason. The EPP participant will be eligible to receive 67% of the Bonus Bank.

Termination due to Retirement, Disability, or Death. The EPP participant, or the EPP participant's estate, will be eligible to receive 100% of the Bonus Bank.

Separation Payments and Benefits

In the case of severance agreements, it is generally our practice to negotiate the terms of such agreements, when needed, with each of our executives, including our NEOs. Such negotiated agreements typically include non-competition, non-solicitation and confidentiality provisions. The severance arrangement with our CEO is set forth in the letter agreement described in detail in the "Agreements with our Named Executive Officers" section on page 47 of this proxy statement.

Involuntary Termination Without Cause. The 2012 U.S. RIF Plan for all US employees (including the NEOs, other than the CEO) was amended effective April 1, 2013, wherein the Company will provide reasonable and market-competitive severance benefits to certain employees, including our NEOs other than the CEO, when appropriate, based on specific guidelines established for each grade/position across the enterprise.

Resignation or Termination for Cause. A resignation or a termination for cause would not result in any additional compensation, severance or benefits.

Death and Disability Benefits

Benefits provided to NEOs under the termination scenarios of death or disability depend on the individual level of benefits chosen by the NEOs during the annual benefits enrollment process. The NEOs receive the same Company provided life insurance coverage, short-term disability coverage, and long-term disability coverage as the general Company population. These core coverages are 100 percent of base salary for life insurance (up to a maximum benefit of $1,200,000 for core life insurance; additional limits apply if supplemental coverage is purchased), 100 percent of base salary for six weeks and 66.67 percent of base salary for the remainder of a 26-week period for short-term disability coverage, and 50 percent of base salary for the duration of an employee's long-term disability for long-term disability coverage (up to a maximum of $15,000 per month). Each employee has the option of opting out or choosing a higher level of coverage at his or her own expense.

Potential Payments upon Termination or Change in Control Table

The table that follows shows the estimated amounts each Named Executive Officer would have received upon the occurrence of the events listed in the table as of December 31, 2013:

	Termination upon Change in Control[1]	Involuntary Termination Without Cause[2]	Death	Disability	Voluntary Resignation	Termination for Cause
William R. Nuti						
Cash Severance	$ 7,500,000	$ 3,750,000	$ —	$ —	$ —	$ —
Prorata Bonus[3]	1,500,000	630,000	630,000	630,000	—	—
Stock Options[4],[5]	1,350,480	—	1,350,480	1,350,480	—	—
Restricted Stock & Performance-Based Shares[4],[5],[6]	28,993,571	20,133,615	19,218,083	19,218,083	—	—
Welfare Benefits	48,222	23,080	—	—	—	—
Economic Profit Plan[7]	13,062,661	8,751,983	13,062,661	13,062,661	—	—
Excise Tax Gross-Up[4],[8],[9],[10],[11]	—	—	—	—	—	—
Outplacement	10,000	10,000	—	—	—	—
Life Insurance[12]	—	—	1,000,000	—	—	—
Total Benefits Payable upon Termination	**$52,464,934**	**$33,298,678**	**$35,261,224**	**$34,261,224**	—	—
Vested Benefits						
Vested and Outstanding Stock Options[4]	$ —	$ —	$ —	$ —	$ —	$ —
Savings Plan[13]	528,634	528,634	528,634	528,634	528,634	528,634
Pension[14]	—	—	—	—	—	—
Total Vested Benefits	$ 528,634	$ 528,634	$ 528,634	$ 528,634	$528,634	$528,634
Total Benefits Available at Termination[15]	**$52,993,568**	**$33,827,312**	**$35,789,858**	**$34,789,858**	**$528,634**	**$528,634**

	Termination upon Change in Control[1]	Involuntary Termination Without Cause[2]	Death	Disability	Voluntary Resignation	Termination for Cause
Robert P. Fishman						
Cash Severance	$ 2,205,000	$ 551,250	$ —	$ —	$ —	$ —
Prorata Bonus[3]	577,500	236,000	236,000	236,000	—	—
Stock Options[4],[5]	98,218	—	98,218	98,218	—	—
Restricted Stock & Performance-Based Shares[4],[5],[6]	3,434,188	2,281,441	2,159,438	2,159,438	—	—
Welfare Benefits	28,943	6,988	—	—	—	—
Economic Profit Plan[7]	1,595,290	1,068,844	1,595,290	1,595,290	—	—
Excise Tax Gross-Up[4],[8],[9],[10],[11]	—	—	—	—	—	—
Outplacement	10,000	10,000	—	—	—	—
Life Insurance[12]	—	—	525,000	—	—	—
Total Benefits Payable upon Termination	**$ 7,949,139**	**$ 4,154,523**	**$ 4,613,945**	**$ 4,088,945**	—	—
Vested Benefits						
Vested and Outstanding Stock Options[4]	$ —	$ —	$ —	$ —	$ —	$ —
Savings Plan[13]	698,920	698,920	698,920	698,920	698,920	698,920
Pension[14]	181,566	181,566	94,129	181,566	181,566	181,566
Total Vested Benefits	$ 880,486	$ 880,486	$ 793,050	$ 880,486	$880,486	$880,486
Total Benefits Available at Termination[15]	**$ 8,829,625**	**$ 5,035,009**	**$ 5,406,995**	**$ 4,969,431**	**$880,486**	**$880,486**

	Termination upon Change in Control[1]	Involuntary Termination Without Cause [2]	Death	Disability	Voluntary Resignation	Termination for Cause
John G. Bruno						
Cash Severance	$ 2,310,000	$ 577,500	$ —	$ —	$ —	$ —
Prorata Bonus[3]	605,000	248,000	248,000	248,000	—	—
Stock Options[4],[5]	343,761	—	343,761	343,761	—	—
Restricted Stock & Performance-Based Shares[4],[5],[6]	7,116,660	5,505,322	5,302,699	5,302,699	—	—
Welfare Benefits	30,023	7,258	—	—	—	—
Economic Profit Plan[7]	2,302,580	1,542,728	2,302,580	2,302,580	—	—
Excise Tax Gross-Up[4],[8],[9],[10],[11]	—	—	—	—	—	—
Outplacement	10,000	10,000	—	—	—	—
Life Insurance[12]	—	—	550,000	—	—	—
Total Benefits Payable upon Termination	**$12,718,024**	**$7,890,808**	**$8,747,040**	**$8,197,040**	**—**	**—**
Vested Benefits						
Vested and Outstanding Stock Options[4]	$ —	$ —	$ —	$ —	$ —	$ —
Savings Plan[13]	156,312	156,312	156,312	156,312	156,312	156,312
Pension[14]	—	—	—	—	—	—
Total Vested Benefits	$ 156,312	$ 156,312	$ 156,312	$ 156,312	$ 156,312	$156,312
Total Benefits Available at Termination[15]	**$12,874,336**	**$8,047,120**	**$8,903,352**	**$8,353,352**	**$ 156,312**	**$156,312**

	Termination upon Change in Control[1]	Involuntary Termination Without Cause[2]	Death	Disability	Voluntary Resignation	Termination for Cause
Peter A. Dorsman						
Cash Severance	$ 2,310,000	$ 577,500	$ —	$ —	$ —	$ —
Prorata Bonus[3]	605,000	—	—	—	—	—
Stock Options[4],[5]	178,033	—	178,033	178,033	—	—
Restricted Stock & Performance-Based Shares[4],[5],[6]	4,810,709	3,239,276	3,036,449	3,036,449	1,837,775	—
Welfare Benefits	28,727	6,934	—	—	—	—
Economic Profit Plan[7]	2,086,232	1,397,775	2,086,232	2,086,232	—	—
Excise Tax Gross-Up[4],[8],[9],[10],[11]	2,601,605	—	—	—	—	—
Outplacement	10,000	10,000	—	—	—	—
Life Insurance[12]	—	—	550,000	—	—	—
Total Benefits Payable upon Termination	**$12,630,305**	**$5,231,486**	**$5,850,714**	**$5,300,714**	**1,837,775**	**—**
Vested Benefits						
Vested and Outstanding Stock Options[4]	$ —	$ —	$ —	$ —	$ —	$ —
Savings Plan[13]	331,706	331,706	331,706	331,706	331,706	331,706
Pension[14]	235,224	235,224	110,907	235,224	235,224	235,224
Total Vested Benefits	$ 566,930	$ 566,930	$ 442,613	$ 566,930	$ 566,930	$566,930
Total Benefits Available at Termination[15]	**$13,197,235**	**$5,798,415**	**$6,293,327**	**$5,867,643**	**$2,404,705**	**$566,930**

	Termination upon Change in Control[1]	Involuntary Termination Without Cause [2]	Death	Disability	Voluntary Resignation	Termination for Cause
Jennifer M. Daniels						
Cash Severance	$1,850,000	$ 462,500	$ —	$ —	$ —	$ —
Prorata Bonus[3]	425,000	172,500	172,500	172,500	—	—
Stock Options[4],[5]	113,571	—	113,571	113,571	—	—
Restricted Stock & Performance-Based Shares[4],[5],[6]	2,698,048	1,860,221	1,768,770	1,768,770	—	—
Welfare Benefits	28,943	6,988	—	—	—	—
Economic Profit Plan[7]	1,227,174	822,207	1,227,174	1,227,174	—	—
Excise Tax Gross-Up[4],[8],[9],[10],[11]	—	—	—	—	—	—
Outplacement	10,000	10,000	—	—	—	—
Life Insurance[12]	—	—	500,000	—	—	—
Total Benefits Payable upon Termination	**$6,352,736**	**$3,334,415**	**$3,782,015**	**$3,282,015**	**—**	**—**
Vested Benefits						
Vested and Outstanding Stock Options[4]	$ 340,649	$ 340,649	$ 340,649	$ 340,649	$340,649	$340,649
Savings Plan[13]	75,566	75,566	75,566	75,566	75,566	75,566
Pension[14]	—	—	—	—	—	—
Total Vested Benefits	$ 416,215	$ 416,215	$ 416,215	$ 416,215	$416,215	$416,215
Total Benefits Available at Termination[15]	**$6,768,951**	**$3,750,630**	**$4,198,229**	**$3,698,229**	**$416,215**	**$416,215**

(1) The payments reported in this column are based on the occurrence of a "double trigger" event (a qualifying change in control followed by a qualifying termination) in which the applicable equity awards are assumed in connection with a change in control. In the event that a qualifying change in control occurs and the applicable equity awards are not assumed, then the stock options and performance-based restricted stock unit awards would vest in full immediately prior to the change in control. In either case, the performance-based restricted stock unit awards would vest either at the target level or based on actual performance, depending on when the change in control occurs. The payments reported in this column assume that performance was achieved at the maximum award level of 150% for the February 22, 2011 performance-based restricted stock unit awards, at 127.8% for the February 28, 2012 performance-based restricted stock unit awards, and at 100.8% for the February 25, 2013 performance-based restricted stock unit awards.

(2) The amounts provided in this column are estimates (based on 26 weeks of severance that includes base salary and target bonus) because the cash severance payment is subject to individual negotiation. For Mr. Nuti, the amount in this column equals the amount he would receive upon a termination without cause or for good reason under the terms of his letter agreement described in the "Agreements with our Named Executive Officers" section on page 47 of this proxy statement.

(3) The payments reported in this row are based on the Management Incentive Plan target bonus for 2013 for Change in Control and actual bonus for 2013 for other termination reasons.

(4) Equity valuations assume closing price of NCR common stock on December 31, 2013 of $34.06.

(5) The payments reported in these rows include only unvested awards. Mr. Dorsman will receive a pro rata portion of his 2011 granted restricted stock units upon a voluntary resignation since he is eligible for retirement treatment, as described above in the "Treatment of Equity upon Termination" section. Mr. Dorsman is the only Named Executive Officer who is eligible for a pro rata portion of any unvested restricted stock units in the event of a voluntary resignation.

(6) The payments reported in this row assume that performance will be achieved at 150% of the February 22, 2011 performance-based restricted stock unit awards, at 127.8% for the February 28, 2012 performance-based restricted stock unit awards and at 100.8% for the February 25, 2013 performance-based restricted stock unit awards for Change in Control and Termination without Cause, and at target (100%) for death and disability for all performance-based restricted stock unit awards.

(7) The payments reported in this row reflect a 67% payout of the Bonus Bank upon an involuntary termination without cause and a 100% payout of the Bonus Bank upon a Change in Control, death or disability.

(8) Pursuant to an amendment to the Change in Control Severance Plan, the excise tax gross-up does not apply to any participant who enters the plan after January 27, 2010.

(9) For purposes of calculating the excise tax gross-up, the parachute value of stock options was calculated using the Black-Scholes option valuation methodology and the following assumptions:

(a) Volatility – 40.1%
(b) Dividend Yield – 0%
(c) Risk Free Rate – 0.78%
(d) Option Term – 1 year

(10) Discount rates to determine the present values of the accelerated benefit of stock options and restricted shares for the parachute calculation were:

(a) Short Term – 0.30%
(b) Mid Term – 1.97%
(c) Long Term – 3.95%

(11) The excise tax gross-up is calculated using a 20% excise tax rate and a 40% individual income tax rate.

(12) Proceeds would be payable by a third-party insurer.

(13) The amounts reported in "Savings Plan" include contributions made directly to such plans by the Named Executive Officers.
(14) The payments reported in this row represent the present value of the accumulated benefit under the Company's qualified and nonqualified pension plans as of December 31, 2013.
(15) The "Total Benefits Available at Termination" row reflects all cash and benefits due the Named Executive Officer, including outstanding vested options, and benefits under the Company's various retirement and pension plans.

Pursuant to authority granted to it by NCR's Board of Directors, the Committee on Directors and Governance (the "Directors Committee") adopted the NCR Director Compensation Program (the "2013 Program"), effective as of April 23, 2013, replacing the previous NCR Director Compensation Program (the "2010 Program"), effective as of April 27, 2010. The 2013 Program provides for the payment of annual retainers and annual equity grants to non-employee members of NCR's Board of Directors. Mr. Nuti does not receive remuneration for his service as Chairman of the Board of NCR.

Annual Retainer

Under the 2013 Program, each non-employee member of NCR's Board received an annual retainer of $75,000. The Independent Lead Director receives an additional annual retainer of $40,000 for service in such role. Ms. Levinson served as Independent Lead Director until July 24, 2013, and Mr. Boykin assumed the role as Independent Lead Director on July 25, 2013. Both directors received pro-rated amounts based on their time in such role. Additionally under the 2013 Program, directors receive remuneration for their services as Committee Chairs: Mr. Boykin and Mr. Kuehn each received prorated amounts of $34,000 as Chair of the Audit Committee; Mr. Daichendt received $18,000 as Chair of the Committee on Directors and Governance; and Ms. Levinson received $27,000 as Chair of the Compensation and Human Resource Committee. Annual retainers are paid in four equal installments on June 30, September 30, December 31, and March 31. The March 31, 2013 retainer payments were made based on the annual retainer schedule of the 2010 Program. Retainer payments in June, September and December 2013 were made based on the annual retainer schedule of the 2013 Program as described above.

In accordance with the 2010 Program and 2013 Program, each director has the option to receive his or her annual retainer in the form of cash or common stock, or an equal distribution of each. In the table below, the amounts reported in the first column represent the annual retainer earned by the directors in 2013 and paid in cash. To the extent a director elected to receive all or a portion of his or her annual retainer in common stock, the grant date fair value of the common stock, as determined in accordance with FASB ASC Topic 718, is reflected in the stock awards column.

Prior to January 1 of each year, directors may elect to defer receipt of the annual retainer until they cease to serve as a director of the Company.

Initial Equity Grant

The 2010 Program provided that, upon initial election to the Board, each non-employee director would receive a grant of restricted stock or restricted stock units. The 2013 Program eliminates this grant. No initial equity grants were awarded in 2013 prior to the approval of the 2013 Program.

Annual Equity Grant

The 2013 Program provides that, on the date of each annual meeting of NCR's stockholders, each non-employee director is granted restricted stock or restricted stock units, the value of which is determined by the Directors Committee. In February 2010, the Directors Committee recommended, and the Board agreed, that the value of the annual equity award to be granted to each non-employee director would be $175,000. The Directors Committee and the Board determined that this action was appropriate based on, among other things, a desire to retain and attract highly qualified and experienced directors, an increased workload for NCR's directors that was expected to, and did, continue into 2013 and will continue into 2014, and a review of competitive board pay practices.

Pursuant to the 2013 Program, on April 24, 2013, the date of the 2013 Annual Meeting, each non-employee director received restricted stock units valued at $175,000. In accordance with the 2010 Program, Ms. Levinson also received $50,000 granted in the form of restricted stock units with a grant date fair value of $49,998 in

connection with her service as a member of the Board of Directors of NCR Brasil – Industria de Equipamentos Para Automacao S.A. Under the 2013 Program, Ms. Levinson will receive $40,000 granted in the form of restricted stock units in connection with her service as a member of the Board of Directors of NCR Brasil – Industria de Equipamentos Para Automacao S.A.

Any restricted stock or restricted stock units awarded will vest in four equal quarterly installments commencing three months after the grant date. Any options granted will be fully vested and exercisable on the first anniversary of the grant. If the grant is made in the form of restricted stock units, a director may elect to defer receipt of the shares of common stock that otherwise would be received upon vesting of restricted stock units. In 2013 Messrs. Boykin, Clemmer, and DeRodes elected to defer receipt of shares upon vesting of restricted stock units until the date upon which each of them ceases to serve as a director.

Mid-Year Equity Grant

The 2013 Program also provides that each non-employee director who is newly elected to the Board after the annual stockholders meeting may receive a grant of stock options and/or restricted stock or restricted stock units. Any restricted stock or restricted stock units awarded will vest in four equal quarterly installments commencing three months after the grant date. Any options granted will be fully vested and exercisable on the first anniversary of the grant. If the grant is made in the form of restricted stock units, a director may elect to defer receipt of the shares of common stock that would otherwise be received upon vesting of restricted stock units. There were no mid-year equity grants in 2013.

Stock Ownership Guidelines

The Board of Directors' 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. Beginning with the 2013 Program, the guidelines encourage non-employee directors to accumulate ownership of NCR common stock equal to four times the amount of his or her annual retainer within three years after he or she is first elected to the Board. The 2010 Program guidelines encouraged ownership of NCR common stock equal to two times the amount of his or her annual retainer. For these purposes, ownership includes shares owned outright by the non-employee directors, interests in restricted stock, restricted stock units or deferred shares. Stock options are not taken into consideration in determining whether a director has met the ownership guidelines. As of December 31, 2013, all of our non-employee directors have exceeded these guidelines.

The table below describes 2013 compensation for our non-employee directors. There were no amounts reportable under non-equity incentive plan compensation, change in pension value and nonqualified deferred compensation earnings or all other compensation in 2013.

Director Compensation for 2013

Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)[2]	Total ($)
Edward ("Pete") Boykin	—	293,348	293,348
Richard Clemmer	—	261,933	261,933
Gary Daichendt	48,861	223,914	272,775
Robert DeRodes	—	257,620	257,620
Kurt Kuehn	95,122	175,000	270,122
Linda Fayne Levinson	68,187	283,252	351,439
Deanna Oppenheimer	86,861	175,000	261,861

(1) Represents the cash retainer earned in 2013. Messrs. Boykin, DeRodes, and Clemmer elected to receive their cash retainer in deferred shares in lieu of cash payments. Ms. Levinson and Mr. Daichendt elected to receive one-half of their cash retainers in current shares. These

deferred and current shares are reported in the "Stock Awards" column. Mr. Kuehn and Ms. Oppenheimer elected to receive their cash retainer as a cash payment.

(2) This column shows the aggregate grant date fair value, as determined in accordance with FASB ASC Topic 718, of RSU awards, deferred shares (also referred to as "phantom shares") paid in lieu of cash annual retainers, and current shares paid in lieu of the cash annual retainers, in each case in 2013. See Note 8 of the Notes to Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 for an explanation of the assumptions we made in the valuation of these awards.

The table below shows the grant date fair value of the shares received for retainer payments and RSU awards:

Name	Annual Equity RSU Grant ($)	Current Stock in lieu of cash ($)	Deferred Stock in lieu of cash ($)
Edward ("Pete") Boykin	175,000	—	118,348
Richard Clemmer	175,000		86,933
Gary Daichendt	175,000	48,914	—
Robert DeRodes	175,000	82,619	—
Kurt Kuehn	175,000	—	—
Linda Fayne Levinson	215,010	68,242	—
Deanna Oppenheimer	175,000	—	—

The following table shows the number of shares underlying each option award outstanding and the number of RSUs and deferred shares outstanding for each of the non-employee directors as of December 31, 2013:

Name	Options Outstanding as of 12/31/13 #	RSUs Outstanding as of 12/31/13 #	Deferred Shares Outstanding as of 12/31/13 #
Edward ("Pete") Boykin	76,143	—	87,258
Richard Clemmer	61,167	—	60,103
Gary Daichendt	68,143	3,287	—
Robert DeRodes	61,167	—	22,388
Kurt Kuehn	10,039	—	12,217
Linda Fayne Levinson	84,143	—	8,077
Deanna Oppenheimer	6,849	—	6,574

EQUITY COMPENSATION PLAN INFORMATION

The table below shows information regarding awards outstanding and shares available for issuance as of December 31, 2013 under our Management Stock Plan that was in effect through April 25, 2006, our NCR Corporation 2011 Amended and Restated Stock Incentive Plan that was in effect through April 24, 2013 and our NCR Corporate 2013 Stock Incentive Plan (collectively referred to below as the "Stock Incentive Plan"):

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a) (c)
Equity compensation plans approved by stockholders:			
Management Stock Plan[1]	542,488[2]	$ 15.80	—
Stock Incentive Plan[3]	7,667,104[4]	$ 17.82	10,594,970
Equity compensation plans not approved by stockholders	—	—	—
Total	8,209,592	$17.32	10,594,970

(1) The NCR Management Stock Plan was adopted with stockholder approval, effective January 1, 1997. There were no shares authorized under the plan as of December 31, 2007. The NCR Management Stock Plan was terminated as of April 26, 2006, upon the stockholders' approval of the Stock Incentive Plan; however, such termination did not affect awards previously granted and outstanding under the NCR Management Stock Plan.

(2) Outstanding consists of 481,628 stock options and 60,860 restricted stock awards and units.

(3) The Stock Incentive Plan was adopted with stockholder approval, effective April 26, 2006, and amended on April 27, 2011 and a new plan was approved effective April 24, 2013.

(4) Outstanding consists of 1,456,751 stock options, 5,492,666 restricted stock awards and units, and 717,687 additional shares that would be issued if outstanding performance-based awards are earned at maximum payout.

RELATED PERSON TRANSACTIONS

Under its charter, the Committee on Directors and Governance is responsible for the review of all related person transactions. In January 2007, the Board of Directors formalized in writing a Related Person Transactions Policy that provides that each related person transaction be considered for approval or ratification (i) by the Company's Committee on Directors and Governance or (ii) if the Committee on Directors and Governance determines that the approval or ratification of the related person transaction should be considered by all of the disinterested members of the Board of Directors, by a majority vote of such disinterested members of the Board of Directors.

The policy requires each director and executive officer of the Company to use reasonable efforts to report to the Company's General Counsel any transaction that could constitute a related person transaction prior to the transaction. The General Counsel must advise the Chairman of the Committee on Directors and Governance of any related person transaction of which the General Counsel becomes aware, whether as a result of reporting or otherwise. The Committee on Directors and Governance then considers each such related person transaction, unless the Committee determines that the approval or ratification of such transaction should be considered by all of the disinterested members of the Board of Directors, in which case such disinterested members of the Board of Directors consider the transaction. Except as set forth below, a related person transaction that is not approved in advance shall not be entered into by the Company unless the effectiveness of the transaction is expressly subject to ratification by the Committee on Directors and Governance or the disinterested members of the Board, as applicable.

If the Company enters into a transaction that it subsequently determines is a related person transaction or a transaction that was not a related person transaction at the time it was entered into but thereafter became a related person transaction, then in either such case the related person transaction shall be presented to the Committee on Directors and Governance or the disinterested members of the Board of Directors, as applicable, for ratification. If such related person transaction is not ratified, then the Company shall take all reasonable actions to attempt to terminate the Company's participation in that transaction.

Under the policy, a related person transaction generally means any transaction involving or potentially involving an amount in excess of $120,000 in which the Company or any of its subsidiaries is a participant and in which any of its directors or director nominees, executive officers or 5% stockholders, or any immediate family members of any of the foregoing, has or will have a direct or indirect material interest.

In considering whether to approve or ratify a related person transaction or relationship, the Committee on Directors and Governance or the disinterested members of the Board of Directors, as applicable, considers all relevant factors, including:

- the size of the transaction and the amount payable to a related person;
- the nature of the interest of the related person in the transaction;
- whether the transaction may involve a conflict of interest; and
- whether the transaction involves the provision of goods or services to the Company that are available from unaffiliated third parties and, if so, whether the transaction is on terms and made under circumstances that are at least as favorable to the Company as would be available in comparable transactions with or involving unaffiliated third parties.

Transactions and relationships that are required to be disclosed under applicable securities laws and regulations are disclosed in the Company's proxy statement. Since the beginning of the Company's 2013 fiscal year, the Committee on Directors and Governance has not identified any related person transactions requiring such disclosure.

FEES PAID TO INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The following table presents the approximate fees for professional audit services rendered by the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP ("PricewaterhouseCoopers"), for the audit of the Company's financial statements for fiscal years 2013 and 2012, as well as the approximate worldwide fees billed for other services rendered by PricewaterhouseCoopers in such years:

Service	2013	2012
Audit Fees[1]	$7,441,000	$6,529,405
Audit-Related Fees[2]	$ 227,000	$ 216,000
Subtotal	$7,668,000	$6,745,405
Tax Fees[3]	$ 632,500	$ 539,000
All Other Fees[4]	$ 30,300	$ 47,000
Subtotal	$ 662,800	$ 586,000
Total Fees	$8,330,880	$7,331,405

(1) Includes fees required for the review and examination of NCR's consolidated financial statements, the audit of internal controls over financial reporting, quarterly reviews of interim financial statements, statutory audits, and consultations by management as to the accounting or disclosure treatment of transactions or events and the actual or potential impact of final or proposed rules, standards or interpretations by regulatory and standard setting bodies. Also includes attestation services and review services associated with the Company's filings with the SEC.

(2) Includes fees related to financial audits of employee benefit plans and services related to the filing of securities reports for one of the Company's international subsidiaries.

(3) Generally includes tax compliance, tax advice, tax planning and expatriate services. In 2013 and 2012, respectively, fees for tax services include:

(a) $52,000 and $225,000 for tax compliance including the preparation, review and filing of tax returns;
(b) $544,000 and $249,000 for tax audit consultation and assistance;
(c) $36,500 and $15,000 for local country statutory financial statement services incidental to the preparation of local country tax returns and tax consultation services among other things; and
(d) Zero and $50,000 for expatriate services including tax return preparation, tax equalization calculations, tax consultancy, and related international assignment administration services.

(4) Includes fees for all other work performed by PricewaterhouseCoopers that does not meet the above category descriptions. In 2013, of these fees, approximately 45% related to several agreed upon procedure engagements, approximately 32% related to advisory services, approximately 13% related to an attestation engagement in Spain related to compliance with the electronic waste legislation and approximately 10% related to licensing and proprietary software for accounting research. In 2012, of these fees, approximately 85% related to several agreed upon procedure engagements, approximately 9% related to an attestation engagement in Spain related to compliance with the electronic waste legislation and approximately 6% related to licensing and proprietary software for accounting research.

The charter of the Audit Committee requires that all auditing and non-auditing services to be provided to the Company by its independent accountants be pre-approved by the Audit Committee. The Audit Committee has adopted policies and procedures regarding its pre-approval of these services (the "Pre-Approval Policy"). The Pre-Approval Policy, which is designed to assure that the provision of such services does not impair the independence of the Company's independent registered public accounting firm, includes the following principles and restrictions, among others:

- In no case should NCR or its consolidated subsidiaries retain the Company's independent registered public accounting firm or its affiliates to provide management consulting services or any non-audit services that are not permitted under applicable laws and regulations, including, without limitation, the Sarbanes-Oxley Act of 2002 and the SEC's related rules and regulations.
- Unless a type of service to be provided by the independent registered public accounting firm has received general pre-approval, it will require specific pre-approval by the Audit Committee. Any other non-audit services and tax consulting services will require specific pre-approvals by the Audit Committee and a determination that such services would not impair the independence of the Company's

independent registered public accounting firm. Specific pre-approvals by the Audit Committee will also be required for any material changes or additions to the pre-approved services.

- The Audit Committee recommends that the ratio of total tax and all other non-audit services to total audit and audit-related services procured by the Company in a fiscal year be less than 1 to 1.
- The Audit Committee will not permit the exclusive retention of NCR's independent registered public accounting firm in connection with a transaction initially recommended by the independent auditors, the purpose of which may be tax avoidance and the tax treatment of which is not supported in applicable tax law.
- Pre-approval fee levels for all services to be provided by the independent registered public accounting firm will be established annually by the Audit Committee, and updated on a quarterly basis by the Audit Committee at its regularly scheduled meetings. Any proposed services significantly exceeding these levels will require separate pre-approval by the Audit Committee.
- The Corporate Controller will report to the Audit Committee on a quarterly basis regarding the status of all pre-approved audit, audit-related, tax and all other non-audit services provided by the Company's independent registered public accounting firm or its affiliates to NCR or its consolidated subsidiaries.
- Back-up documentation will be provided to the Audit Committee by management and/or the independent registered public accounting firm when requesting pre-approval of services by the Company's independent registered public accounting firm. At the request of the Audit Committee, additional detailed documentation regarding the specific services will be provided.
- Requests or applications to provide services that require separate approval by the Audit Committee will be submitted to the Audit Committee by the Chief Financial Officer or Corporate Controller, with the support of the independent registered public accounting firm, and must include a joint statement as to whether, in the view of management and the independent registered public accounting firm, the request or application is consistent with the SEC's rules on auditor independence.

At the beginning of each fiscal year, management and the Company's independent registered public accounting firm propose the audit and non-audit services to be provided by the firm during that year. The Audit Committee reviews and pre-approves the proposed services taking into account, among other things, the principles and restrictions set forth in the Pre-Approval Policy. Under the Pre-Approval Policy, the Audit Committee also has delegated to its Chair limited authority to grant pre-approvals for audit, audit-related, tax and other non-audit services in the event that immediate approval of a service is needed, or to further delegate such authority to another Audit Committee member. The Chair (or his delegate) must report any pre-approval decisions to the Audit Committee at its next scheduled meeting for its review and approval. The Audit Committee may not delegate to management its responsibilities to pre-approve services performed by the independent registered public accounting firm.

The audit, non-audit, tax and all other non-audit services provided by PricewaterhouseCoopers to the Company, and the fees charged for such services, are actively monitored by the Audit Committee as set forth in the Pre-Approval Policy on a quarterly basis to maintain the appropriate level of objectivity and independence in the firm's audit work for NCR. Part of the Audit Committee's ongoing monitoring includes a review of any de minimis exceptions as provided in the applicable SEC rules for non-audit services that were not pre-approved by the Audit Committee. In 2013 and 2012, of those total amounts reported above, all activities were pre-approved by the Audit Committee prior to commencement, thus no de minimis activity was reported.

BOARD AUDIT COMMITTEE REPORT

The Audit Committee consists of four directors, each of whom is independent as determined by the Board of Directors 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 New York Stock Exchange ("NYSE") and the applicable rules of the U.S. Securities and Exchange Commission ("SEC"). In accordance with NYSE rules, all members are "financially literate." In addition, all of its members are "audit committee financial experts" as defined under applicable SEC rules. A brief description of the responsibilities of the Audit Committee is set forth above under the caption "Committees of the Board." The Audit Committee acts under a charter adopted by the Board of Directors, which is periodically reviewed and revised as appropriate. The Audit Committee charter is available under "Corporate Governance" on the "About NCR" page of the Company's website at http://www.ncr.com/about-ncr/corporate-governance.

In general, NCR's management is responsible for the preparation, presentation and integrity of the Company's financial statements, accounting and financial reporting principles, internal controls, and procedures designed to ensure compliance with accounting standards, applicable laws, and regulations. PricewaterhouseCoopers LLP ("PricewaterhouseCoopers"), NCR's independent registered public accounting firm, is responsible for performing an independent audit of the Company's consolidated financial statements and expressing an opinion on the conformity of those financial statements with generally accepted accounting principles, as well as an independent audit of the Company's internal control over financial reporting.

In the course of fulfilling its oversight responsibilities, the Audit Committee has reviewed and discussed with NCR management the Company's audited financial statements for fiscal year 2013, as well as its quarterly public earnings releases and its quarterly reports on Form 10-Q, and, together with the Board, has reviewed and discussed the Company's Annual Report on Form 10-K and this proxy statement. In addition, the Audit Committee discussed with PricewaterhouseCoopers, the Company's independent registered public accounting firm, the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee also has received the written disclosures and the letter from PricewaterhouseCoopers required by applicable requirements of the Public Company Accounting Oversight Board and has discussed with PricewaterhouseCoopers its independence. In connection with its discussions concerning the independence of its independent registered public accounting firm, the Audit Committee adopted its annual policy requiring that the Audit Committee pre-approve all audit and non-audit services provided by the Company's independent registered public accounting firm or its affiliates to NCR or its consolidated subsidiaries. The committee also reviewed its procedures for processing and addressing complaints regarding accounting, internal controls, or auditing matters, and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters. Finally, the Audit Committee has reviewed NCR's critical accounting policies and alternative policies with management and the Company's independent registered public accounting firm to determine that both are in agreement that the policies currently being used are appropriate.

The Audit Committee met in executive session at its regular meetings periodically throughout the year with both PricewaterhouseCoopers and the internal auditors. It also met privately on occasion with the Chief Financial Officer, who has unrestricted access to the committee.

Based on the reviews and the discussions referred to above, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 for filing with the SEC.

Dated: February 24, 2014

The Audit Committee:

Kurt P. Kuehn, Chair
Edward P. Boykin
Richard L. Clemmer
Deanna W. Oppenheimer

DIRECTORS' PROPOSAL TO RATIFY THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2014
(Item 2 on Proxy Card)

The Board's Audit Committee has appointed PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") as the Company's independent registered public accounting firm for 2014 and the Board has approved this selection. Although stockholder ratification of this appointment of the Company's independent registered public accounting firm is not required, the Board is asking that you ratify this appointment as a matter of good corporate governance.

PricewaterhouseCoopers has been the Company's independent registered public accounting firm for many years and is a leader in providing audit services to companies in the high-technology industry. The Board believes that PricewaterhouseCoopers is well qualified to serve as NCR's independent registered public accounting firm given its experience, global presence with offices or affiliates in or near most locations where NCR does business, and quality audit work in serving the Company. PricewaterhouseCoopers rotates its audit partners assigned to audit NCR at least once every five years and the Audit Committee has placed restrictions on the Company's ability to hire any employees or former employees of PricewaterhouseCoopers or its affiliates. Based on its "Pre-Approval Policy" as defined on page 68 of this proxy statement and applicable SEC rules and guidance, the Audit Committee considered whether the provision during 2013 of the tax and other non-audit services described above under the caption "Fees Paid to Independent Registered Public Accounting Firm" was compatible with maintaining PricewaterhouseCoopers' independence and concluded that it was.

PricewaterhouseCoopers representatives will be present at the Annual Meeting where they will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

Required Vote

The resolution will be considered approved if it receives the affirmative vote of a majority of the votes cast on the proposal. However, the vote is not binding on our Board of Directors and the Audit Committee. Although non-binding, our Board of Directors and the Audit Committee will review and consider the voting results when evaluating selection of the Company's independent registered public accounting firm in the future.

The Board of Directors and the Audit Committee recommend that you vote FOR this proposal. Proxies received by the Board will be voted FOR this proposal unless they specify otherwise. If the stockholders do not ratify the appointment of PricewaterhouseCoopers, the Audit Committee and the Board of Directors will reconsider the appointment, but may elect to maintain it.

DIRECTORS' PROPOSAL TO APPROVE, ON A NON-BINDING ADVISORY BASIS, EXECUTIVE COMPENSATION AS DISCLOSED IN THESE PROXY MATERIALS
(Item 3 on Proxy Card)

Our Board of Directors is submitting this say on pay proposal, pursuant to Section 14A of the Securities Exchange Act of 1934 which allows our stockholders to cast a non-binding vote to approve the compensation of our Named Executive Officers ("NEOs") as disclosed in the *Compensation Discussion and Analysis* and accompanying compensation tables in this proxy statement. Although this advisory vote is not binding on the Company, the Board and the Compensation and Human Resource Committee (the "Committee") value the opinions of our stockholders. Accordingly, the Committee will consider the outcome of the say on pay vote when it makes future decisions regarding executive compensation.

Our executive compensation programs are designed to pay for performance; attract, retain and motivate executive talent; align the interests of executives with the interests of stockholders; and adopt competitive, best practices in our compensation programs appropriate for the Company. A comparison of our performance in 2011 and 2012 to the compensation realizable by our CEO demonstrates that our pay for performance compensation philosophy achieves its objectives of motivating executives to deliver strong performance and then rewarding them significantly when they achieve these high standards. The Company's strong performance during 2011 and 2012 ranked it second in two-year total shareholder return and first in three-year total shareholder return among the peer group currently used for executive compensation comparison purposes. During these years of high performance, our CEO received long-term incentive plan awards of 150% and 127.8% of target for 2011 and 2012, respectively, and an annual bonus at 179% of target for 2011. For 2012, despite strong financial results, the Committee and our CEO felt that several stretch internal objectives established for the organization had not been fully attained by the Company. Therefore, the funding for the Company's 2012 annual incentive plan payout was reduced from 132.8% to 75% of target for the Core Financial Objective and 0% for the Customer Success bonus, which did not meet management's internal stretch objectives. This resulted in our CEO earning a 2012 annual incentive award payout at 73% of target. His realizable compensation is estimated at 186% and 136% of his granted compensation for 2011 and 2012, respectively. Please see the "Executive Summary" in the *Compensation Discussion and Analysis* in this proxy statement for charts demonstrating this strong correlation between pay and performance.

For the 2013 performance year, the Company's one-year TSR was 33.7%, revenue grew by 6.9%, operating income net of pension expense and certain special items ("NPOI")[1]grew by 21.8% and we exited 2013 with a sales backlog of $1.17 billion. Despite these strong financial results, the committee and our CEO felt that several stretch internal objectives established for the organization had not been fully attained by the Company. Therefore, the funding for the Company's 2013 annual incentive plan payout was reduced from 103.3% to 45% of target for the Core Financial Objective and 0% for the Customer Success bonus, which did not meet management's stretch internal objectives. This resulted in our CEO earning a 2013 annual incentive award payout at 42% of target.

Our compensation programs in 2013 continued to reflect our executive compensation pay-for-performance philosophy as follows:

- Of the total target direct compensation offered to our CEO for 2013, 81% was performance-based;
- An average of 70% of the total target direct compensation offered to our other NEOs was performance-based;
- Since our time-based restricted stock vests 36 months from grant, which is typically in February, the vesting period for performance-based LTI awards issued as part of the 2013 annual grants was extended from 36 to 44 months and will vest in October in an effort to maximize the impact of retention value by staggering the vesting/payout dates for the various incentive programs throughout the year; and
- Our 2013 Stock Incentive Plan, as approved by stockholders, was revised to provide more customary and competitive features.

The Company's pay practices are designed to manage compensation risk and align our executive compensation with long-term stockholder interests. These practices include:

- Robust executive stock ownership guidelines that are met by all NEOs;
- A strong compensation recovery, or "claw back" policy;
- No excise tax gross-ups for new participants in the Company's Change in Control Severance Plan;
- No tax gross-ups on any perquisites other than standard relocation benefits; and
- All U.S. defined benefit pension plans are frozen (qualified and non-qualified).

Please see the *Compensation Discussion and Analysis* and accompanying compensation tables beginning on pages 18 and 45, respectively, of this proxy statement for additional details about our executive compensation programs and compensation paid to our NEOs.

At the 2013 Annual Meeting, the Company's stockholders approved the compensation program for the Company's NEOs with 97.5% of the votes cast. Our Board of Directors and the Committee believe this vote reflects stockholder approval of our pay-for-performance philosophy and the absence of pay practices that stockholders consider problematic.

We believe that our compensation design and practices are effective in implementing our compensation philosophy and ask you to vote in favor of the adoption of the following resolution:

RESOLVED, that the stockholders approve, on an advisory basis, the compensation of the NEOs as disclosed pursuant to Item 402 of Regulation S-K, including the *Compensation Discussion and Analysis,* the Summary Compensation Table and the related compensation tables, and narrative disclosure in this proxy statement.

Required Vote

The resolution will be considered approved if it receives the affirmative vote of a majority of the votes cast on the proposal. However, the vote is not binding on our Board of Directors and the Committee. Although non-binding, our Board of Directors and the Committee will review and consider the voting results when making future decisions regarding our executive compensation program.

The Board of Directors recommends that you vote FOR the advisory resolution. Proxies received by the Board of Directors will be voted FOR this proposal unless they specify otherwise.

(1) NPOI is a non-GAAP measure. Operating income, which is the most comparable GAAP measure, decreased 11% over the same period. For reconciliation of GAAP to non-GAAP measures, see Exhibit 99.1 to the Company's Form 8-K filed on February 6, 2014.

DIRECTORS' PROPOSAL TO AMEND THE CHARTER OF THE COMPANY TO ELIMINATE THE CLASSIFICATION OF THE BOARD OF DIRECTORS OF THE COMPANY AND PROVIDE FOR ANNUAL ELECTION OF ALL DIRECTORS ELECTED AT OR AFTER THE COMPANY'S 2015 ANNUAL MEETING OF STOCKHOLDERS
(Item 4 on Proxy Card)

Our Board of Directors (the "Board") is submitting for stockholder approval a proposal to amend the charter of the Company to phase out the present three-year staggered terms of our directors and instead provide for the annual election of directors beginning with the election of directors at the Company's 2015 Annual Meeting of Stockholders (the "2015 Annual Meeting"). The charter currently divides our Board into three classes, as nearly equal in number as possible, with members of each class elected to staggered three-year terms. Approximately one-third of our directors stand for election at each annual meeting of stockholders.

At the Company's 2013 Annual Meeting of Stockholders (the "2013 Annual Meeting"), stockholders approved a stockholder proposal submitted by the Florida State Board of Administration (the "FSB Stockholder Proposal") urging the Board "to take all necessary steps (other than any steps that must be taken by shareholders) to eliminate the classification of the Board of Directors and to require that all directors elected at or after the annual meeting held in 2014 be elected on an annual basis." The FSB Stockholder Proposal received 102,093,434 of the votes present and entitled to vote at the 2013 Annual Meeting, while 25,188,987 of the votes present and entitled to vote at the 2013 Annual Meeting voted against the FSB Stockholder Proposal. While the FSB Stockholder Proposal was only advisory and the Board recommended against its passage for the reasons set forth in the Company's 2013 Proxy Statement, the Board has reviewed and reconsidered its recommendation because it believes it is important to be responsive and accountable to stockholders. In this regard, the Board considered the fact that the FSB Stockholder Proposal received a substantial majority of votes in favor and reflects the sentiment of our stockholders in favor of annual director elections. After carefully reconsidering the arguments both for and against a classified board, the Board has determined that an amendment to the charter to eliminate the classification of the Board is advisable and has directed that the amendment be submitted to the stockholders for consideration at the 2014 Annual Meeting of Stockholders.

In order to declassify the Board and provide for annual elections of all directors elected at or after the 2015 Annual Meeting, the stockholders must vote to approve the amendment of Section 7.1(b) of the Company's charter as set forth on Exhibit A hereto. This amendment will provide that, beginning with the 2015 Annual Meeting, directors will be elected for a one-year term. This amendment is not intended to, and will not, abrogate, shorten or otherwise affect the term of any director elected before the 2015 Annual Meeting, including those directors who are candidates for election at the 2014 Annual Meeting of Stockholders as set forth on Item 1 of your Proxy Card.

Required Vote

The amendment to the Company's charter will be approved if it receives the affirmative vote of not less than eighty percent of the shares of the outstanding stock entitled to vote generally in the election of directors. Abstentions and broker non-votes will have the effect of a vote against the proposed amendment.

The Board of Directors recommends that you vote FOR this proposal. Proxies received by the Board of Directors will be voted FOR this proposal unless they specify otherwise.

Exhibit A

The charter of the Corporation is hereby amended by deleting Section 7.1(b) in its entirety and inserting the following in lieu thereof:

(b) At the annual meeting of stockholders of the Corporation held in 2015, each of the successors to the directors whose terms expire at the annual meeting of stockholders in 2015 shall be elected to serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies; at the annual meeting of stockholders of the Corporation held in 2016, each of the successors to the directors whose terms expire at the annual meeting of stockholders in 2016 shall be elected to serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies; and beginning with the annual meeting of stockholders in 2017, all directors shall be elected to serve until the next annual meeting of stockholders and until their respective successors are duly elected and qualify.

OTHER MATTERS

The Board of Directors does not know of any matters that will be brought before the Annual Meeting other than those listed in the notice of meeting. If any other matters are properly introduced at the meeting for consideration, including consideration of a motion to adjourn the meeting to another time or place, the individuals named on the enclosed form of proxy will have authority to vote on such matters in their discretion.

ADDITIONAL INFORMATION

Cost of Proxy Solicitation

We will pay the expenses of soliciting proxies in connection with the Annual Meeting. Proxies may be solicited on our behalf through the mail, in person, by telephone, electronic transmission, or facsimile transmission. We have hired Georgeson Inc., to assist in the solicitation of proxies, at an estimated cost of $17,000, plus reimbursement of reasonable out-of-pocket expenses. In accordance with SEC and NYSE rules, NCR will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their expenses of sending proxies and proxy materials to the beneficial owners of NCR common stock.

Procedures for Stockholder Proposals and Nominations

Under the Company's Bylaws, nominations for election of directors at an annual meeting may be made only by: (1) the Board of Directors or a committee of the Board: or (2) a stockholder entitled to vote who has delivered notice to the Company no earlier than 150 days nor later than 5:00 p.m., Eastern Time, 120 days before the first anniversary of the date of the proxy statement for the preceding year's annual meeting.

Our Bylaws also provide that other business may not be brought before an annual meeting unless it is: (1) specified in the notice of meeting (which includes stockholder proposals that the Company is required to include in its proxy statement under SEC Rule 14a-8); (2) brought before the meeting by or at the direction of the Board: or (3) brought by a stockholder entitled to vote who has delivered notice to the Company (containing certain information specified in the Bylaws) no earlier than 150 days nor later than 5:00 p.m., Eastern Time, 120 days before the first anniversary of the date of the proxy statement for the preceding year's annual meeting. In addition, you must comply with SEC Rule 14a-8 to have your proposal included in the Company's proxy statement.

A copy of the full text of the Company's Bylaws may be obtained upon written request to the Corporate Secretary at the address provided on page 16 of this proxy statement and online at http://www.ncr.com/about-ncr/corporate-governance.

Stockholder Proposals for 2015 Annual Meeting

Stockholders interested in presenting a proposal for consideration at NCR's annual meeting of stockholders in 2015 must follow the procedures found in SEC Rule 14a-8 and the Company's Bylaws. To be eligible for possible inclusion in the Company's 2015 proxy materials, all qualified proposals must be received by NCR's Corporate Secretary no earlier than October 11, 2014, nor later than November 10, 2014.

The above notice and proxy statement are sent by order of the Board of Directors.

Jennifer M. Daniels
Senior Vice President,
General Counsel and Secretary

Dated: March 10, 2014

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2014 ANNUAL MEETING OF STOCKHOLDERS
RESERVATION REQUEST FORM

If you plan to attend the 2014 Annual Meeting of Stockholders of NCR Corporation, please complete the following information and return to Jennifer M. Daniels, Senior Vice President, General Counsel and Secretary, NCR Corporation, 250 Greenwich Street, 35th Floor, New York, NY 10007.

Your name and address: _____

_____

_____

Number of shares of NCR common stock you hold: _____

If the shares listed above are not registered in your name, identify the name of the registered stockholder below *and include evidence that you beneficially own the shares.*

Registered stockholder: _____

(name of your bank, broker, or other nominee)

THIS IS NOT A PROXY CARD

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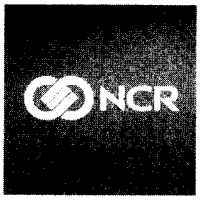
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

Commission File Number 001-00395



NCR CORPORATION

(Exact name of registrant as specified in its charter)

Maryland	**31-0387920**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

3097 Satellite Boulevard
Duluth, GA 30096
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (937) 445-5000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, par value $0.01 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2013, was approximately $5.5 billion. As of February 11, 2014, there were approximately 166.7 million shares of common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III: Portions of the Registrant's Definitive Proxy Statement for its Annual Meeting of Stockholders to be filed pursuant to Regulation 14A within 120 days after the Registrant's fiscal year end of December 31, 2013 are incorporated by reference into Part III of this Report.

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This Report contains trademarks, service marks, and registered marks of NCR Corporation and its subsidiaries, and other companies, as indicated.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements use words such as "seek," "potential," "expect," "strive," "continue," "continuously," "accelerate," "anticipate," "intend," "plan," "target," "believe," "estimate," "forecast," "pursue," and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could". They include statements as to our anticipated or expected results; future financial performance; projections of revenue, profit growth and other financial items; discussion of strategic initiatives and related actions; comments about our future economic performance; comments about future market or industry performance; comments about environmental litigation and other contingencies; and beliefs, expectations, intentions, and strategies, among other things. Forward-looking statements are based on management's current beliefs, expectations and assumptions and involve a number of known and unknown risks and uncertainties, many of which are outside our control. These forward-looking statements are not guarantees of future performance, and there are a number of factors, risks and uncertainties including those listed in Item 1A "Risk Factors," and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this Annual Report on Form 10-K, that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements after the filing date of this Annual Report on Form 10-K, whether as a result of new information, future events or otherwise.

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PART I

Item 1. BUSINESS

General

NCR Corporation and its subsidiaries (NCR or the Company, also referred to as "we", "us" or "our") provide technology and services that help businesses connect, interact and transact with their customers.

Businesses

NCR Corporation is a leading global technology company that provides innovative products and services that enable businesses to connect, interact and transact with their customers and enhance their customer relationships by addressing consumer demand for convenience, value and individual service. Our portfolio of self-service and assisted-service solutions serve customers in the financial services, retail, hospitality, travel, and telecommunications and technology industries and include automated teller machines (ATMs) and ATM and financial services software, point of sale devices (POS) and POS software, and self-service kiosks and software applications that can be used by consumers to enable them to interact with businesses from their computer or mobile device. We complement these product solutions by offering a complete portfolio of services to support both NCR and third party solutions. We also resell third-party networking products and provide related service offerings in the telecommunications and technology sectors.

Industries Served

NCR provides specific solutions for customers in a range of industries such as financial services, retail, hospitality, travel, and telecommunications and technology. NCR's solutions are built on a foundation of long-established industry knowledge and consulting expertise, value-added software and hardware technology, global customer support services, and a complete line of business consumables and specialty media products.

Company History

NCR was originally incorporated in 1884 and was a publicly traded company on the New York Stock Exchange prior to its merger with a wholly-owned subsidiary of AT&T Corp. (AT&T) on September 19, 1991. Subsequently, on December 31, 1996, AT&T distributed all of its interest in NCR to its stockholders. NCR common stock is listed on the New York Stock Exchange and trades under the symbol "NCR".

On September 30, 2007, NCR completed the spin-off of its Teradata Data Warehousing business through the distribution of a tax-free stock dividend to NCR stockholders. NCR distributed one share of common stock of Teradata Corporation (Teradata) for each share of NCR common stock to NCR stockholders of record as of the close of business on September 14, 2007.

Significant Transactions

Effective in the first quarter of 2013, we elected to change our accounting methodology for recognizing costs for all of our company-sponsored U.S. and international pension benefit plans. Under our new accounting methods, we will recognize changes in the fair value of plan assets and net actuarial gains or losses upon remeasurement, which is at least annually in the fourth quarter of each year. These new accounting methods will result in changes in the fair value of plan assets and net actuarial gains and losses being recognized in expense faster than under our previous amortization method. The remaining components of pension expense, primarily net service cost, interest cost, and the expected return on plan assets, will be recorded on a quarterly basis as ongoing pension expense. While our previous policy of recognizing pension expense was acceptable, we believe that these new policies are preferable as they accelerate the recognition in our operating results of changes in the fair value of plan assets and actuarial gains and losses.

On February 6, 2013, we completed the acquisition of Retalix Ltd. (Retalix), for which we paid an aggregate cash purchase price of $791 million which includes $3 million to be recognized as compensation expense within selling, general and administrative expenses over a period of approximately three years from the acquisition date.

The purchase price was paid from the net proceeds of the December 2012 offer and sale of our 4.625% senior unsecured notes and borrowing under our senior secured credit facility. As a result of the acquisition, Retalix became an indirect wholly owned subsidiary of NCR.

On December 2, 2013, we entered into an Agreement and Plan of Merger to acquire Digital Insight Corporation (Digital Insight), a leader in online and mobile banking solutions, for a cash purchase price of $1.65 billion. On December 19, 2013, through a newly formed wholly owned subsidiary, NCR Escrow Corp., we completed the offering of $400 million aggregate principal amount of 5.875% senior unsecured notes due in 2021 and $700 million aggregate principal amount of 6.375% senior unsecured notes due in 2023, to help finance the acquisition. The aggregate principal amount from the offerings was initially deposited into a segregated escrow account of NCR Escrow Corp. On January 10, 2014, we completed the acquisition of Digital Insight, NCR Escrow Corp. merged with and into NCR, with NCR assuming all of NCR Escrow Corp.'s obligations under the 5.875% and 6.375% notes and the indentures governing those notes, and the net proceeds from the offering were released from the escrow account to pay a portion of the purchase price for Digital Insight.

Operating Segments

We categorize our operations into four reportable segments: Financial Services, Retail Solutions, Hospitality, and Emerging Industries.

The information required by Item 1 with respect to our reportable segments and financial information regarding our geographic areas and those reportable segments can be found in Item 7 of Part II of this Report under "Revenue and Operating Income by Segment" as well as in Item 8 of Part II of this Report as part of Note 13, "Segment Information and Concentrations," of the Notes to Consolidated Financial Statements, and is incorporated herein by reference.

Products and Services

We sell products and services that help businesses connect, interact and transact with their customers. Our product and service offerings fall into the following categories:

ATMs and Other Financial Products

We provide financial institutions, retailers and independent deployers with financial-oriented self-service technologies, such as ATMs, cash dispensers, and software solutions, including the APTRA™ self-service ATM software application suite (providing ATM management systems) and cash management and video banking software, as well as professional services related to ATM security, software and bank branch optimization. ATM and other financial product solutions are designed to quickly and reliably process consumer transactions and incorporate advanced features such as automated check cashing/deposit, automated cash deposit, web-enablement and bill payment (including mobile bill payment). These solutions help enable businesses to reduce costs and generate new revenue streams while enhancing customer loyalty.

Point of Sale

We provide retail and hospitality oriented technologies such as point of sale terminals and point of sale software, bar-code scanners and other retail-oriented software and services to companies and entertainment and sports venues worldwide. Combining our retail and hospitality industry expertise, software and hardware technologies, and professional services, our solutions are designed to enable cost reductions and improve operational efficiency while increasing customer satisfaction.

Self-Service Kiosks

We provide self-service kiosks and related operating software to the retail, hospitality and travel and gaming industries. Our versatile kiosk solutions can support numerous retail self-service functions, including self-checkout, wayfinding (our self-service software application that helps customers easily locate products or

navigate through large, complex buildings and campuses), digital signage, bill payment and gift registries. We provide self-check in/out kiosk solutions to airlines, hotels and casinos that allow guests to check-in/out without assistance. These solutions create pleasant and convenient experiences for consumers and enable our customers to reduce costs. Our kiosks for the hospitality industry provide consumers the ability to order and pay at restaurants while enabling our customers to streamline order processing and reduce operating costs.

Check and Document Imaging

Our check and document imaging offerings provide end-to-end solutions for both traditional paper-based and image-based check and item processing. These solutions utilize advanced image recognition and workflow technologies to automate item processing, helping financial institutions increase efficiency and reduce operating costs. Consisting of hardware, software, professional and support services, our comprehensive check and document imaging solutions enable check and item-based transactions to be digitally captured, processed and retained within a flexible, scalable environment.

Consumables

We develop, produce and market a complete line of printer consumables for various print technologies. These products include two-sided thermal paper (2ST®), paper rolls for receipts in ATMs and POS solutions, inkjet and laser printer supplies, thermal transfer and ink ribbons, labels, laser documents, business forms, and specialty media items such as photo and presentation papers. Consumables are designed to optimize operations and improve transaction accuracy, while reducing overall costs.

Services

Services are an essential and integrated component of NCR's complete solution offerings. We provide maintenance and support services for our product offerings and also provide other services including site assessment and preparation, staging, installation and implementation, systems management and complete managed services. We provide Predictive Services, a managed services offering, which is designed to predict and address information technology issues quickly before they happen.

We also offer a range of software and services such as Software as a Service (SaaS), hosted services, and online, mobile and transactional services and applications such as bill pay. In addition, we are also focused on expanding the resale of third party networking products and related service offerings to a broader base of customers in the telecommunications and technology sectors and servicing third-party computer hardware from select manufacturers who value and leverage our global service capability.

Target Markets and Distribution Channels

Our ATMs and other financial product solutions primarily serve the financial services industry with particular focus on retail banking, which includes traditional providers of consumer banking and financial services. These solutions also serve the retail markets through convenience banking products for retailers designed to complement their core businesses. Customers are located throughout the world in both developed and emerging markets. We have historically sold most of our ATMs and financial products and services through a direct sales channel, although a portion of revenues is derived through distributors and value-added resellers.

We provide self-service kiosk and POS solutions to the retail, hospitality and travel and gaming industries. Retail customers include department stores, specialty retailers, mass merchandisers, catalog stores, supermarkets, hypermarkets, grocery stores, drug stores, wholesalers, convenience stores and petroleum outlets. Hospitality customers include restaurants and food service providers, and sports and entertainment venues (including stadiums, arenas and cinemas). Travel and gaming customers include airlines, airports, car rental companies, hotel/lodging operators and casinos. Self-service kiosk and POS solutions are sold through a direct sales force and through relationships with value-added resellers, distributors, dealers and other indirect sales channels. We have focused our investments and resources on self-service technologies with expanded offerings to include self-ticketing and mobile check-in for the travel industry.

Our imaging solutions primarily serve the financial services industry worldwide, with the primary focus on banks. We have historically distributed most of our imaging products and services through a direct sales channel, although certain revenues are derived through sales by value-added resellers and distributors.

Our consumables products are sold to the financial services, retail and hospitality industries as well as to customers involved in transportation and manufacturing. These products are also sold through a direct sales force as well as through various channel partners including office product retailers, contract stationers, value-added resellers, original equipment manufacturers as well as through telemarketing and the Internet.

We provide service and support for our products and solutions through service contracts with our customers. We have also established managed service contracts with key customers and continue to pursue additional managed service relationships. Longer term managed service arrangements can help improve the efficiency and performance of the customer's business, and also increase the strategic and financial importance of its relationship with NCR. We also service competing technologies—for example, ToshibaTec retail technologies and Diebold ATMs. The primary sales channel for our services is our direct sales teams, which exist across all geographies. Our services professionals provide these services directly to end customers.

Competition

In the financial services industry, we face a variety of competitors, including Diebold, Wincor Nixdorf GmbH & Co. (Wincor) and Hyosung, as well as many other regional firms, across all geographies. The primary factors of competition can vary, but typically include: value and quality of the solutions or products; total cost of ownership; industry knowledge of the vendor; the vendor's ability to provide and support a total end-to-end solution; the vendor's ability to integrate new and existing systems; fit of the vendor's strategic vision with the customer's strategic direction; and quality of the vendor's support and consulting services.

We face a variety of competitors in the retail and hospitality industries across all geographies. We believe that key competitive factors can vary by geographic area but typically include: value and quality of the solutions or products; total cost of ownership; industry knowledge of the vendor; and knowledge, experience and quality of the vendor's consulting, deployment and support services. Our competitors vary by market segment, product, service offering and geographic area, and include ToshibaTec, Wincor, Fujitsu, Hewlett-Packard, Dell, Honeywell, Micros Systems, Verifone and Datalogic, among others.

We face a diverse group of competitors in the travel and gaming industries. Competitors in the travel industry include IBM, SITA and IER, among others. In the gaming industry, our key competitors are IBM, Wincor and Cummins.

We face competition for services from other technology and service providers, as well as from independent service operators, in all geographies where we operate around the world. The primary services competitors are the companies identified in the descriptions of our other solutions as global technology providers are becoming more focused on services as a core business strategy. We also compete with a range of regional and local service companies across our various geographies.

Competition for printer consumables is significant and varies by geographic area and product group. The primary areas of competitive differentiation typically include: quality; logistics and supply chain management; and total cost of ownership. While price is always a factor, we focus on the customer's total cost of ownership for our consumables products. Total cost of ownership takes into account not only the per-unit cost, but also service, usage, reporting and support costs. Our competitors include, among others, RiteMade Paper and Schades.

We face competition in the financial services industry for imaging solutions across all geographies. The primary areas of competition can vary, but typically include: quality of the solutions or products; total cost of ownership; industry knowledge; the vendor's ability to provide and support a total end-to-end solution; the vendor's ability to integrate new and existing systems; fit of the vendor's strategic vision with the customer's strategic direction; and quality of the vendor's support and consulting services. Our competitors vary by product, service offering and geographic area, and include Fidelity National Information Services and Unisys Corporation, among others.

Research and Development

We remain focused on designing and developing products, services and solutions that anticipate our customers' changing technological needs and consumer preferences. Our expenses for research and development were $203 million in 2013, $155 million in 2012, and $209 million in 2011. We anticipate that we will continue to have significant research and development expenditures in the future in order to provide a continuing flow of innovative, high-quality products and services and to help maintain and enhance our competitive position. Information regarding the accounting and costs included in research and development activities is included in Note 1, "Description of Business and Significant Accounting Policies," of the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report and is incorporated herein by reference.

Patents and Trademarks

NCR seeks patent protection for its innovations and improvements associated with its products, services, and developments, where such protection is likely to provide value to NCR. NCR owns approximately 1,425 patents in the U.S. and numerous other patents in foreign countries. The foreign patents are generally counterparts of NCR's U.S. patents. Many of the patents owned by NCR are licensed to others, and NCR is licensed under certain patents owned by others. NCR has active patent licensing programs. NCR also has numerous patent applications pending in the U.S. and in foreign countries. NCR's portfolio of patents and patent applications, in the aggregate, is of significant value to NCR.

NCR has registered certain trademarks and service marks in the U.S. and in a number of foreign countries. NCR considers the "NCR" and NCR logo marks and many of its other trademarks and service marks to be valuable assets.

Seasonality

Our sales are historically seasonal, with lower revenue in the first quarter and higher revenue in the fourth quarter of each year. Such seasonality also causes our working capital cash flow requirements to vary from quarter to quarter depending on variability in the volume, timing and mix of product sales. In addition, revenue in the third month of each quarter is typically higher than in the first and second months. Information regarding seasonality and its potential impact on our business is included in Item 1A of this Report under the caption, "Operating Results Fluctuations," and is incorporated herein by reference.

Manufacturing and Raw Materials

In most cases, there are a number of vendors providing the services and producing the parts and components that we utilize. However, there are some services and components that are purchased from single sources due to price, quality, technology or other reasons. For example, we depend on computer chips and microprocessors from Intel and operating systems from Microsoft. Certain parts and components used in the manufacturing of our ATMs and the delivery of many of our retail solutions are also supplied by single sources. In addition, there are a number of key suppliers for our businesses who provide us with critical products for our solutions.

We manufacture our ATMs in facilities located in Columbus, Georgia, USA; Manaus, Brazil; Budapest, Hungary; Beijing, China; and Puducherry, India. Our self-checkout solutions are manufactured in facilities located in Columbus, Georgia, USA and Budapest, Hungary. Our financial kiosk solutions are manufactured in facilities located in Beijing, China. Our POS/Display terminals are manufactured in facilities located in Columbus, Georgia, USA; Beijing, China; and Adelaide, Australia, and certain hand-held solutions are manufactured in Salzburg, Austria. NCR outsources the manufacturing in all geographic regions of its payment solutions, some POS/Display terminals, printers, bar code scanners and various other kiosks.

Further information regarding the potential impact of these relationships on our business operations, and regarding sources and availability of raw materials, is also included in Item 1A of this Report under the caption "Reliance on Third Parties," and is incorporated herein by reference.

Product Backlog

Our backlog was approximately $1,172 million and $1,137 million at December 31, 2013 and 2012, respectively. The backlog includes orders confirmed for products scheduled to be shipped as well as certain professional and transaction services to be provided. Although we believe that the orders included in the backlog are firm, some orders may be cancelled by the customer without penalty, and we may elect to permit cancellation of orders without penalty where management believes it is in our best interests to do so. Further, we have a significant portion of revenues derived from our growing service-based business as well as the Hospitality line of business, the recently acquired Retalix business and the consumables business, for which backlog information is not measured. Therefore, we do not believe that our backlog, as of any particular date, is necessarily indicative of revenues for any future period.

Employees

On December 31, 2013, NCR had approximately 29,300 employees and contractors.

Environmental Matters

Compliance with federal, state, and local environmental regulations relating to the protection of the environment could have a material adverse impact on our capital expenditures, earnings or competitive position. While NCR does not currently expect to incur material capital expenditures related to compliance with such laws and regulations, and while we believe the amounts provided in our Consolidated Financial Statements are adequate in light of the probable and estimable liabilities in this area, there can be no assurances that environmental matters will not lead to a material adverse impact on our capital expenditures, earnings or competitive position. A detailed discussion of the current estimated impacts of compliance issues relating to environmental regulations, particularly the Fox River and Kalamazoo River matters, is reported in Item 8 of Part II of this Report as part of Note 10, "Commitments and Contingencies," of the Notes to Consolidated Financial Statements and is incorporated herein by reference. Further information regarding the potential impact of compliance with federal, state, and local environmental regulations is also included in Item 1A of this Report under the caption "Environmental," and is incorporated herein by reference.

Executive Officers of the Registrant

The Executive Officers of NCR (as of February 26, 2014) are as follows:

Name	Age	Position and Offices Held
William R. Nuti	50	Chairman of the Board, Chief Executive Officer and President
John G. Bruno	49	Executive Vice President, Industry and Field Operations and Corporate Development
Jennifer M. Daniels	50	Senior Vice President, General Counsel and Secretary
Peter A. Dorsman	58	Executive Vice President, Services
Robert P. Fishman	50	Senior Vice President and Chief Financial Officer
Andrea L. Ledford	48	Senior Vice President, Corporate Services and Chief Human Resources Officer

Set forth below is a description of the background of each of the Executive Officers.

William R. Nuti, 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 United Continental Holdings, Inc. where he is a member of the Audit Committee and previously served as a director of Sprint Nextel Corporation. He 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.

John G. Bruno became Executive Vice President, Industry and Field Operations and Corporate Development on November 18, 2013. Prior to that position, Mr. Bruno was Executive Vice President and Chief Technology Officer from November 1, 2011 through November 17, 2013 and also previously served as Executive Vice President, Industry Solutions Group, from November 29, 2008 to October 31, 2011. Prior to joining NCR, Mr. Bruno was a Managing Director at The Goldman Sachs Group, Inc., a global investment banking, securities and investment management firm, from August 2007 to November 2008. Prior to this position, he was Senior Vice President—General Manager, RFID Division, at Symbol Technologies, Inc., an information technology company, from June 2005 through February 22, 2006. Mr. Bruno was Symbol Technologies' Senior Vice President, Corporate Development from May 2004 to June 2005, and was Symbol Technologies' Senior Vice President, Business Development, and Chief Information Officer, from November 2002 to May 2004.

Jennifer M. Daniels became Senior Vice President, General Counsel and Secretary in April 2010. Prior to joining NCR, Ms. Daniels was Vice President, General Counsel and Corporate Secretary of Barnes & Noble, Inc., from August 2007 to April 2010. Prior to that, she served as an attorney for more than 16 years at IBM, a worldwide provider of computer hardware, software and services, where she held, among other positions, the positions of Vice President, Assistant General Counsel and Chief Trust and Compliance Officer; Vice President and Assistant General Counsel for Litigation; and Vice President and General Counsel of IBM Americas.

Peter A. Dorsman became Executive Vice President, Services on September 13, 2013. Before assuming that role, he served as Executive Vice President and Chief Quality Officer from June 2012 through September 12, 2013 and also previously served as Executive Vice President, Industry Solutions Group and Global Operations. Mr. Dorsman is also responsible for NCR's Customer Experience/Continuous Improvement. Previously, he was Senior Vice President, Global Operations from January 1, 2008 to October 31, 2011 and was Vice President and General Manager of NCR's Systemedia Division, now named NCR Interactive Printer Solutions, from April 17, 2006 to December 31, 2007. Prior to joining NCR, Mr. Dorsman served in several roles with The Standard Register Company, a provider of information solutions, including as its Executive Vice President and Chief Operating Officer responsible for the day-to-day operations of the company. Before his role at Standard Register, Mr. Dorsman served for nearly 20 years at NCR in various marketing and sales leadership roles, including vice president of worldwide industry marketing. Mr. Dorsman is a director of Applied Industrial Technologies Inc.

Robert P. Fishman became Senior Vice President and Chief Financial Officer in March 2010. Prior to assuming this position, he was Interim Chief Financial Officer from October 2009 to March 2010. Prior to that position, he was Vice President and Corporate Controller from January 2007 to October 2009. From September 2005 to January 2007, Mr. Fishman was Assistant Controller and from January 2005 to September 2005, he was Director, Corporate Planning. Mr. Fishman joined NCR in 1993.

Andrea L. Ledford became Senior Vice President, Corporate Services and Chief Human Resources Officer on November 13, 2013. Previously, Ms. Ledford was Senior Vice President, Human Resources. She also served as Interim Senior Vice President, Human Resources from February 2007 to June 2007. Prior to assuming this position, she was Vice President, Human Resources, Asia/Pacific, and Europe, Middle East and Africa, from February 2006 to February 2007. Before joining NCR in February 2006, Ms. Ledford was EMEA Leader, Human Resources, at Symbol Technologies, Inc., an information technology company, from 2002 to February 2006 and held a variety of leadership roles at Cisco Systems, Inc., a manufacturer of communications and information technology networking products, in EMEA, Asia/Pacific and Latin America.

Available Information

NCR makes available through its website at http://investor.ncr.com, free of charge, its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, definitive proxy statements on Schedule 14A and Current Reports on Form 8-K, and all amendments to such reports and schedules, as soon as reasonably practicable after these reports are electronically filed or furnished to the U.S. Securities and Exchange Commission (SEC) pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934. The SEC website (www.sec.gov) contains the reports, proxy statements and information statements, and other information regarding issuers that file electronically with the SEC. Also, the public may read and copy any materials that NCR files with the SEC at the

SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. NCR will furnish, without charge to a security holder upon written request, the Notice of Meeting and Proxy Statement for the 2014 Annual Meeting of Stockholders (the 2014 Proxy Statement), portions of which are incorporated herein by reference. NCR also will furnish its Code of Conduct at no cost and any other exhibit at cost. Document requests are available by calling or writing to:

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Phone: 800-255-5627
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NCR's website, www.ncr.com, contains a significant amount of information about NCR, including financial and other information for investors. NCR encourages investors to visit its website regularly, as information may be updated and new information may be posted at any time. The contents of NCR's website are not incorporated by reference into this Form 10-K and shall not be deemed "filed" under the Securities Exchange Act of 1934.

Item 1A. RISK FACTORS

The risks and uncertainties described below could materially and adversely affect our business, financial condition, results of operations, could cause actual results to differ materially from our expectations and projections, and could cause the market value of our stock to decline. You should consider these risk factors when reading the rest of this Annual Report on Form 10-K, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this document. These risk factors may not include all of the important factors that could affect our business or our industry or that could cause our future financial results to differ materially from historic or expected results or cause the market price of our common stock to fluctuate or decline.

Economic Pressures. *Our business may be negatively affected by global economic and credit conditions.* Our business is sensitive to the strength of domestic and global economic and credit conditions. The strength of global economic and credit conditions depends on a number of factors, including consumer confidence, unemployment levels, interest rates and the effects of government actions to address sovereign debt issues, improve global credit markets and generally stimulate economic growth. Recent sovereign debt crises in Europe and elsewhere, slower growth in the emerging markets, and the uneven global economic recovery, among other things, have created a challenging and unpredictable environment in which to market the products and services of our various businesses across different geographies.

A negative economic climate could create financial pressures that impact the ability or willingness of our customers to make capital expenditures, thereby affecting their ability to purchase our products or services, or especially with respect to smaller customers, to pay accounts receivable owed to NCR. Additionally, if customers respond to a negative economic climate by consolidation, such as has occurred in the financial services sector in the recent past, it could reduce our base of potential customers. Negative global economic conditions also may have a material effect on our customers' ability to obtain financing for the purchase of our products and services from third party financing companies, which could adversely affect our operating results.

Indebtedness. *Our substantial level of indebtedness could limit our financial and operating activities, and adversely affect our ability to incur additional debt to fund future needs.* At December 31, 2013, we had approximately $3,354 million of total indebtedness outstanding. Additionally, at December 31, 2013, we had approximately $828 million of secured debt available for borrowing under our senior secured credit facility. This level of indebtedness could:

- require us to dedicate a substantial portion of our cash flow to the payment of principal and interest, thereby reducing the funds available for operations and future business opportunities;
- make it more difficult for us to satisfy our obligations with respect to our outstanding senior unsecured notes, including our change in control repurchase obligations;
- limit our ability to borrow additional money if needed for other purposes, including working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes, on satisfactory terms or at all;
- limit our ability to adjust to changing economic, business and competitive conditions;
- place us at a competitive disadvantage with competitors who may have less indebtedness or greater access to financing;
- make us more vulnerable to an increase in interest rates, a downturn in our operating performance or a decline in general economic conditions; and
- make us more susceptible to changes in credit ratings, which could impact our ability to obtain financing in the future and increase the cost of such financing.

If compliance with our debt obligations, including those under our senior secured credit facility and the indentures for our senior unsecured notes, materially limits our financial or operating activities, or hinders our ability to adapt to changing industry conditions, we may lose market share, our revenue may decline and our operating results may be negatively affected.

The terms of our senior secured credit facility and the indentures for our senior unsecured notes include financial and other covenants that could restrict or limit our financial and business operations. Our senior secured credit facility and the indentures for our senior unsecured notes include restrictive covenants that, subject to certain exceptions and qualifications, restrict or limit our ability and the ability of our subsidiaries to, among other things:

- incur additional indebtedness;
- create liens on, sell or otherwise dispose of, our assets;
- engage in certain fundamental corporate changes or changes to our business activities;
- make certain material acquisitions;
- engage in sale-leaseback or hedging transactions;
- repurchase our common stock, pay dividends or make similar distributions on our capital stock;
- repay certain indebtedness;
- engage in certain affiliate transactions; and
- enter into agreements that restrict our ability to create liens, pay dividends or make loan repayments.

The senior secured credit facility and the indentures also contain certain affirmative covenants, and the senior secured credit facility requires us to comply with financial coverage ratios regarding both our interest expense and our debt relative to our Consolidated EBITDA (as defined in the senior secured credit facility).

These covenants and restrictions could affect our ability to operate our business, and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. Additionally, our ability to comply with these covenants may be affected by events beyond our control, including general economic and credit conditions and industry downturns.

If we fail to comply with these covenants and are unable to obtain a waiver or amendment, an event of default would result under these agreements and under other agreements containing related cross-default provisions. Upon an event of default under the senior secured credit facility, the lenders could, among other things, declare outstanding amounts due and payable, refuse to lend additional amounts to us, and require deposit of cash collateral in respect of outstanding letters of credit. If we were unable to repay or pay the amounts due, the lenders could, among other things, proceed against the collateral granted to them to secure such indebtedness, which includes certain of our domestic assets and the equity interests of certain of our domestic and foreign subsidiaries. Upon an event of default under the indentures, the trustee or holders of our senior unsecured notes could declare all outstanding amounts immediately due and payable.

In connection with the December 2013 issuances of our 5.875% and 6.375% senior unsecured notes, we also entered into registration rights agreements that require us to file a registration statement with respect to an offer to exchange each series of notes for a new issue of our debt securities registered under the Securities Act of 1933, as amended, with terms substantially identical to such series of notes (except for the provisions relating to the transfer restrictions and payment of additional interest). If we fail to satisfy our exchange obligations under the registration rights agreements by October 15, 2014, we will be required to pay additional interest to the holders of the notes of the applicable series under certain circumstances.

Our cash flows may not be sufficient to service our indebtedness, and if we are unable to satisfy our obligations under our indebtedness, we may be required to seek other financing alternatives, which may not be successful. Our ability to make timely payments of principal and interest on our debt obligations under our senior secured credit facility and senior unsecured notes depends on our ability to generate positive cash flows from operations, which is subject to general economic conditions, competitive pressures and certain financial, business and other factors beyond our control. If our cash flows and capital resources are insufficient to make these payments, we may be required to seek additional financing sources, reduce or delay capital expenditures, sell assets or operations or refinance our indebtedness. These actions could have a material adverse effect on our

business, financial condition and results of operations. In addition, we may not be able to take any of these actions, and, even if successful, these actions may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our outstanding indebtedness will depend on, among other things, the condition of the capital markets and our financial condition at such time. There can be no assurance that we will be able to restructure or refinance any of our indebtedness on commercially reasonable terms or at all. If we cannot make scheduled payments on our debt, we will be in default and the outstanding principal and interest on our debt could be declared to be due and payable, in which case we could be forced into bankruptcy or liquidation or required to substantially restructure or alter our business operations or debt obligations.

Despite our current levels of debt, we may still incur substantially more debt, including secured debt, and similar liabilities, which would increase the risks described herein. The agreements relating to our debt, including our senior secured credit facility and the indentures governing our senior unsecured notes, limit but do not prohibit our ability to incur additional debt, and the amount of debt that we could incur could be substantial. In addition, certain types of liabilities are not considered "Indebtedness" under our senior secured credit facility or the indentures governing our senior unsecured notes, and the senior secured credit facility and indentures do not impose any limitation on the amount of liabilities incurred by the subsidiaries, if any, that might be designated as "unrestricted subsidiaries" (as defined in the indentures). Accordingly, we could incur significant additional debt or similar liabilities in the future, including additional debt under our senior secured credit facility, some of which could constitute secured debt. In addition, if we form or acquire any subsidiaries in the future, those subsidiaries also could incur debt or similar liabilities. If new debt or similar liabilities are added to our current debt levels, the related risks that we now face could increase.

Borrowings under our senior secured credit facility bear interest at a variable rate, which subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. All of our borrowings under our senior secured credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on this variable rate indebtedness would increase even though the amount borrowed remained the same. We are party to an interest rate swap agreement that fixes the interest rate, based on LIBOR, on a portion of our LIBOR-indexed floating rate borrowings through August 22, 2016, with a notional amount of $518 million as of December 31, 2013 that amortizes to $341 million over the term of the agreement. Although we may enter into additional interest rate swaps to reduce interest rate volatility, we cannot provide assurances that we will be able to do so or that such swaps will be effective.

We may also enter into interest rate swaps in the future in connection with our senior unsecured notes. This would expose us to interest rate risk, which could increase our debt service obligations.

W*e may not be able to raise the funds necessary to finance a required change in control purchase of our senior unsecured notes.* Upon the occurrence of a change in control under the applicable indenture governing the applicable senior unsecured notes, holders of those notes may require us to purchase their notes. However, it is possible that we would not have sufficient funds at that time to make the required purchase of notes. We cannot assure the holders of the senior unsecured notes that we will have sufficient financial resources, or will be able to arrange financing, to pay the repurchase price in cash with respect to any such notes tendered by holders for repurchase upon a change in control. Our failure to repurchase the senior unsecured notes of a series when required would result in an event of default with respect to such notes which could, in turn, constitute a default under the terms of our other indebtedness, if any. In addition, a change in control may constitute an event of default under our senior secured credit facility that would permit the lenders to accelerate the maturity of the borrowings thereunder and would require us to make a similar change in control offer to holders of our existing senior unsecured notes.

Important corporate events may not constitute a change in control under the indentures governing our senior unsecured notes. Certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a change in control under the indentures.

A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital. Any rating assigned to our debt could be lowered or

withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing.

Competition. *If we do not compete effectively within the technology industry, we will not be successful.* We operate in the intensely competitive information technology industry. This industry is characterized by rapidly changing technology, evolving industry standards, frequent new product introductions, price and cost reductions, and increasingly greater commoditization of products, making differentiation difficult. Our competitors include other large companies in the information technology industry, such as: IBM, Hewlett-Packard, Diebold, Wincor, Hyosung, ToshibaTec, Micros, Fujitsu and Unisys, some of which have more financial and technical resources, or more widespread distribution and market penetration for their platforms and service offerings, than we do. In addition, we compete with companies in specific industry segments, such as entry-level ATMs, imaging solutions, and business consumables and media products. Our future competitive performance and market position depend on a number of factors, including our ability to:

- react to competitive product and pricing pressures (particularly in the ATM marketplace);
- penetrate and meet the changing competitive requirements and deliverables in developing and emerging markets, such as India, China, Brazil and Russia;
- exploit opportunities in emerging vertical markets, such as travel and telecommunications and technology;
- cross-sell additional products and services to our existing customer base, including customers gained from our recent acquisitions;
- rapidly and continually design, develop and market, or otherwise maintain and introduce innovative solutions and related products and services for our customers that are competitive in the marketplace;
- react on a timely basis to shifts in market demands;
- compete in reverse auctions for new and continuing business;
- reduce costs without creating operating inefficiencies or impairing product or service quality;
- maintain competitive operating margins;
- improve product and service delivery quality; and
- effectively market and sell all of our diverse solutions.

Our business and operating performance also could be impacted by external competitive pressures, such as increasing price erosion and the entry of new competitors into our existing product and geographic markets. In addition, our customers sometimes finance our product sales through third-party financing companies, and in the case of customer default, these financing companies may be forced to resell this equipment at discounted prices, competing with NCR and impacting our ability to sell incremental units. The impact of these product and pricing pressures could include lower customer satisfaction, decreased demand for our solutions, loss of market share and reduction of operating profits.

Business Model. *If we are unsuccessful in transforming our business model, our operating results could be negatively impacted.* In recent years, we have begun to shift our business model to focus increasingly on sales of higher margin software and SaaS, and professional, managed and other services. Our ability to successfully grow our software and services businesses depends on a number of different factors, including market acceptance of our software solutions; integrating, developing and supporting software gained through recent acquisitions; enabling our sales force to use a consultative selling model that better incorporates our comprehensive and new solutions; and the expansion of our services capabilities and geographic coverage, among others. In addition, development of these businesses may require increased capital and research and development expenses and resource allocation, and while we will seek to have the right level of investment and the right level of resources focused on these opportunities, these costs may reduce our gross margins and the return on these investments

may be lower, or may develop more slowly, than we expect. In addition, we are pursuing initiatives to expand our customer base by increasing our use of an indirect sales channel, and by developing, marketing and selling solutions aimed at the small- to medium-business market. It is not yet certain whether these initiatives will yield the anticipated benefits, or whether our solutions will be compelling and attractive to small and medium-sized businesses. If we are not successful in growing our software and services businesses and expanding our customer base at the rate that we anticipate, we may not meet our growth and gross margin projections or expectations, and operating results could be negatively impacted.

Product Defects and Errors. *Defects, errors, installation difficulties or development delays could expose us to potential liability, harm our reputation and negatively impact our business.* Many of our products are sophisticated and complex, and despite testing and quality control, we cannot be certain that defects or errors will not be found in current versions or new versions of our products. If our products contain undetected defects or errors, or otherwise fail to meet our customers' expectations, we could face the loss of customers and additional development costs. If defects or errors delay product installation or make it more difficult, we could experience delays in customer acceptance, or if our products require significant amounts of customer support, it could result in incremental costs to NCR. In addition, our customers may license and deploy our software in both standard and non-standard configurations in different environments with different computer platforms, system management software and equipment and networking configurations, which may increase the likelihood of technical difficulties. Our products may be integrated with other components or software, and, in the event that there are defects or errors, it may be difficult to determine the origin of such defects or errors. Additionally, damage to or failure of any significant aspect of our SaaS hosting facilities could interrupt the availability of our SaaS offerings, which could cause disruption for our customers and expose us to liability. If any of these risks materialize, they could result in additional costs and expenses, exposure to liability claims, diversion of technical and other resources to engage in remediation efforts, loss of customers or negative publicity, each of which could impact our business and operating results.

Operating Results Fluctuations. *Our revenue, operating results, and margins could fluctuate for a number of reasons, including those described below:*

Manufacturing. We manufacture advanced ATMs in facilities located in Columbus, Georgia, USA; Manaus, Brazil; Budapest, Hungary; Beijing, China; and Puducherry, India. Our self-checkout solutions are manufactured in facilities located in Columbus, Georgia, USA and Budapest, Hungary. Our financial kiosk solutions are manufactured in facilities located in Beijing, China. Our POS/Display terminals are manufactured in facilities located in Columbus, Georgia, USA; Beijing, China; and Adelaide, Australia, and certain hand-held solutions are manufactured in Salzburg, Austria. If we develop or experience problems relating to product quality or on-time delivery to customers that we are unable to quickly manage and resolve, whether due to the geographical diversity of our manufacturing base or otherwise, we could experience business interruption that could negatively impact our business and operating results.

Seasonality. Our sales are historically seasonal, with lower revenue in the first quarter and higher revenue in the fourth quarter of each year. Such seasonality also causes our working capital cash flow requirements to vary from quarter to quarter depending on the variability in the volume, timing and mix of product sales. In addition, revenue in the third month of each quarter is typically higher than in the first and second months. These factors, among other things, may adversely affect our ability to manage working capital, make our forecasting process more difficult and impact our ability to predict financial results accurately.

Foreign Currency. Our revenue and operating income are subject to variability due to the effects of foreign currency fluctuations against the U.S. Dollar. We have exposure to approximately 50 functional currencies. We endeavor to mitigate the effects of currency fluctuations by our hedging strategy; however, certain significant currency fluctuations could adversely affect our results of operations, including sales and gross margins.

Cost/Expense Reductions. Our success in achieving targeted cost and expense reductions through our continuous improvement and other similar programs depends on a number of factors, including our ability to achieve infrastructure rationalizations, drive lower component and product development costs, improve supply

chain efficiencies and optimize the efficiency of our customer services and professional services consulting resources. If we do not successfully execute on our cost and expense reduction initiatives or if we experience delays in completing the implementation of these initiatives, our results of operations or financial condition could be adversely affected.

Contractual Obligations for Professional Services. Our contracts for professional services consulting work, may contemplate that services will be performed over multiple periods. Our profitability under those contracts is largely a function of performing our contractual obligations within the estimated costs and time periods specified. If we exceed these estimated costs or cannot otherwise complete the contracted services within the specified periods, our profitability related to these contracts could be negatively impacted. In addition, if we are unable to maintain appropriate utilization rates for our consultants, we may not be able to sustain profitability on these contracts.

Acquisitions, Divestitures and Alliances. As part of our strategy, we expect to selectively acquire and divest technologies, products and businesses, either through acquisitions, investments, joint ventures, strategic alliances, or divestitures. As these acquisitions, divestitures and alliances occur and we begin to include or exclude, as the case may be, the financial results related to these transactions our operating results could fluctuate materially, depending on the size and nature of the transactions. In addition, our operating results may be adversely affected if we are unable to properly integrate acquisitions or if investments or alliances do not perform up to, or meet, our original expectations.

Underfunded Pension Obligation. At December 31, 2013, our obligation for benefits under our pension plans was $5,145 million and our pension plan assets totaled $5,056 million, which resulted in an underfunded pension obligation of $89 million. While we recently rebalanced our US and international plan assets in order to reduce volatility and made several discretionary contributions to our pension plans, our remaining underfunded pension obligation continues to require significant cash contributions. In addition, certain of the plan assets remain subject to financial market risk, and our actuarial and other assumptions underlying our expected future benefit payments, long-term expected rate of return and future funding expectations for our plans depend on, among other things, interest rate levels and trends and capital market expectations. Further volatility in the performance of financial markets, changes in any of these actuarial assumptions (including those described in our "Critical Accounting Policies and Estimates" section of the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of Part II of this Report) or changes in regulations regarding funding requirements could require material increases to our expected cash contributions to our pension plans in future years. Our financial position and liquidity could be materially impacted by these contributions.

See the "Effects of Pension, Postemployment and Postretirement Benefit Plans" and "Financial Condition, Liquidity And Capital Resources" sections of the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of Part II of this Report and Note 9, "Employee Benefit Plans" in the Notes to the Consolidated Financial Statements included in Item 8 of Part II of this Report for further information regarding the funded status of our pension plans and potential future cash contributions.

Stock-based Compensation. Similar to other companies, we use stock awards as a form of compensation for certain employees and non-employee directors. All stock-based awards are required to be recognized in our financial statements based on their fair values. The amount recognized for stock compensation expense could vary depending on a number of assumptions or changes that may occur. For example, assumptions such as the risk-free rate, expected holding period and expected volatility that drive our valuation model could change. Other examples that could have an impact include changes in the mix and type of awards, changes in our compensation plans or tax rate, changes in our forfeiture rate, differences in actual results compared to management's estimates for performance-based awards or an unusually high amount of expirations of stock awards.

Income Taxes. We are subject to income taxes in the United States and a number of foreign jurisdictions. We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. Significant judgment is required in determining our provision

for income taxes. We regularly review our deferred tax assets for recoverability and establish a valuation allowance if it is more likely than not that some portion or all of a deferred tax asset will not be realized. Our deferred tax assets totaled approximately $804 million and $839 million at December 31, 2013 and 2012, respectively. If we are unable to generate sufficient future taxable income, if there is a material change in the actual effective tax rates, if there is a change to the time period within which the underlying temporary differences become taxable or deductible, or if the tax laws change unfavorably, then we could be required to increase our valuation allowance against our deferred tax assets, which could result in a material increase in our effective tax rate. Additionally, we are subject to ongoing tax audits in various jurisdictions both in the U.S. and internationally, the outcomes of which could result in the assessment of additional taxes. Our effective tax rate in the future could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, the changes in the valuation of deferred tax assets and liabilities, changes in tax laws and regulations, and management's assessment in regards to repatriation of earnings.

Multinational Operations. *Our multinational operations, including our expansion into new and emerging markets, expose us to business and legal risks.* For the years ended December 31, 2013 and 2012, the percentage of our revenues from outside of the United States was 61% and 62%, respectively, and we expect our percentage of revenues generated outside the United States to continue to be significant. In addition, we continue to seek to further penetrate existing international markets, and to identify opportunities to enter into or expand our presence in developing and emerging markets, including Brazil, Russia, China, India, Africa, and the Middle East, among others. While we believe that our geographic diversity may help to mitigate some risks associated with geographic concentrations of operations (e.g., adverse changes in foreign currency exchange rates, deteriorating economic environments or business disruptions due to economic or political uncertainties), our ability to manufacture and sell our solutions internationally, including in new and emerging markets, is subject to risks, which include, among others:

- the impact of ongoing and future sovereign debt, economic and credit conditions on the stability of national and regional economies;
- political conditions and local regulations that could adversely affect demand for our solutions, or our ability to access funds and resources, in these markets;
- the impact of a downturn in the global economy, or in regional economies, on demand for our products;
- currency exchange rate fluctuations that could result in lower demand for our products as well as generate currency translation losses;
- changes to and compliance with a variety of laws and regulations that may increase our cost of doing business or otherwise prevent us from effectively competing internationally;
- government uncertainty, including as a result of new, or changes to, laws and regulations;
- the institution of, or changes to, trade protection measures, currency restrictions, and import or export licensing requirements;
- the successful implementation and use of systems, procedures and controls to monitor our operations in foreign markets;
- changing competitive requirements and deliverables in developing and emerging markets;
- work stoppages and other labor conditions or issues;
- disruptions in transportation and shipping infrastructure; and
- the impact of civil unrest relating to war and terrorist activity on the economy or markets in general, or on our ability, or that of our suppliers, to meet commitments.

In addition, as a result of our revenues generated outside of the United States, the amount of cash and cash equivalents that is held by our foreign subsidiaries continues to be significant. If these cash and cash equivalents are distributed to the United States, whether in the form of dividends or otherwise, we may be subject to additional U.S. income taxes and foreign withholding taxes. Any such taxes would reduce the amount of such cash and cash equivalents that are available for our use.

Acquisitions and Alliances. *If we do not successfully integrate acquisitions or effectively manage alliance activities, we may not drive future growth.* As part of our overall solutions strategy, we have made, and intend to continue to make, investments in companies, products, services and technologies, either through acquisitions (such as our acquisitions of Digital Insight Corporation and Retalix, Ltd.), investments, joint ventures or strategic alliances. Acquisitions and alliance activities inherently involve risks. The risks we may encounter include those associated with:

- assimilating and integrating different business operations, corporate cultures, personnel, infrastructures and technologies or products acquired or licensed;
- the potential for unknown liabilities within the acquired or combined business; and
- the possibility of conflict with joint venture or alliance partners regarding strategic direction, prioritization of objectives and goals, governance matters or operations.

Further, we may make acquisitions and investments in order to acquire or obtain access to new technology or products that expand our offerings. There is risk that the new technology or products may not perform as anticipated and may not meet estimated growth projections or expectations, or investment recipients may not successfully execute their business plans. There is also risk that key employees of an acquired business may not remain with the acquired business as long as expected. In the event that these risks materialize, we may not be able to fully realize the benefit of our investments. An acquisition or alliance, and the integration of an acquired business, may also disrupt our ongoing business or we may not be able to successfully incorporate acquired products, services or technologies into our solutions and maintain quality. Further, we may not achieve the projected synergies once we have integrated the business into our operations, which may lead to additional costs not anticipated at the time of acquisition.

Data Privacy and Security. *Breaches to our systems or products that compromise the security and integrity of personally identifiable information could have a negative impact on our results of operations.* Certain of our products and services are used by our customers to store and transmit personally identifiable information of their customers. We also offer SaaS solutions that include the hosting of customer data on our networks. In addition to customer data, we also maintain personal information about our employees. This information is subject to a variety of laws, regulations and industry standards governing its collection, use, disclosure and disposal, which are continually evolving and which may not be consistent across all of the jurisdictions in which we do business. Vulnerabilities in the security of our products and services, whether relating to hardware, software or otherwise, could compromise the confidentiality of, or result in unauthorized access to or the loss of, information transmitted or stored using our products or solutions, or impact the availability of our SaaS offerings. Additionally, vulnerabilities in the security of our own internal systems could compromise the confidentiality of, or result in unauthorized access to, personal information of our employees. If we do not maintain the security and integrity of personally identifiable information in accordance with applicable regulatory requirements, we could lose customers and be exposed to claims, costs and reputational harm that could materially and adversely affect our operating results. In addition, if we are required to implement additional or different data protection measures, the associated costs could be significant.

Introduction of New Solutions. *If we do not swiftly and successfully develop and introduce new solutions in the competitive, rapidly changing environment in which we do business, our business results will be impacted.* The development process for our solutions requires high levels of innovation from our product development teams and suppliers of the components embedded or incorporated in our solutions. In addition, certain of our solutions, including our SaaS solutions, may require us to build or expand, and maintain, infrastructure to support them. The development process also can be lengthy and costly, and requires us to commit a significant amount of resources to bring our business solutions to market. If we are unable to anticipate our customers' needs and technological and industry trends accurately, or are otherwise unable to complete development efficiently, we would be unable to introduce new solutions into the market on a timely basis, if at all, and our business and operating results could be impacted. Likewise, we sometimes make assurances to customers regarding the operability and specifications of new technologies, and our results could be impacted if we are unable to deliver such technologies, or if such technologies do not perform as planned. Once we have developed new solutions, if we cannot successfully market and sell those solutions, our business and operating results could be impacted.

Reliance on Third Parties. *If third-party suppliers upon which we rely are not able to fulfill our needs, our ability to bring our products to market in a timely fashion could be affected.* In most cases, there are a number of vendors providing the services and producing the parts and components that we utilize in or in connection with our products. However, there are some services and components that are licensed or purchased from single sources due to price, quality, technology, functionality or other reasons. For example, we depend on transaction processing services from Accenture, computer chips and microprocessors from Intel and operating systems from Microsoft. Certain parts and components used in the manufacturing of our ATMs and the delivery of many of our retail solutions are also supplied by single sources. In addition, there are a number of key suppliers for our businesses that provide us with critical products for our solutions. If we were unable to secure the necessary services, including contract manufacturing, parts, software, components or products from a particular vendor, and we had to find an alternative supplier, our new and existing product shipments and solution deliveries, or the provision of contracted services, could be delayed, impacting our business and operating results.

We have, from time to time, formed alliances with third parties that have complementary products, software, services and skills. These alliances represent many different types of relationships, such as outsourcing arrangements to manufacture hardware and subcontract agreements with third parties to perform services and provide products and software to our customers in connection with our solutions. For example, we rely on third parties for cash replenishment services for our ATM products. These alliances introduce risks that we cannot control, such as nonperformance by third parties and difficulties with or delays in integrating elements provided by third parties into our solutions. Lack of information technology infrastructure, shortages in business capitalization, and manual processes and data integrity issues of smaller suppliers can also create product time delays, inventory and invoicing problems, staging delays, as well as other operating issues. The failure of third parties to provide high-quality products or services that conform to required specifications or contractual arrangements could impair the delivery of our solutions on a timely basis, create exposure for non-compliance with our contractual commitments to our customers and impact our business and operating results. Also, some of these third parties have access to confidential NCR and customer data, the integrity and security of which are of significant importance to the Company.

Intellectual Property. *Our continuing ability to be a leading technology and services solutions provider could be negatively affected if we do not develop and protect intellectual property that drives innovation.* It is critical to our continued development of leading technologies that we are able to protect and enhance our proprietary rights in our intellectual property through patent, copyright, trademark and trade secret laws. These efforts include protection of the products and the application, diagnostic and other software we develop. To the extent we are not successful in protecting our proprietary rights, our business could be adversely impacted. Also, many of our offerings rely on technologies developed by others, and if we are unable to continue to obtain licenses for such technologies, our business could be adversely impacted. From time to time, we receive notices from third parties regarding patent and other intellectual property claims. Whether such claims have merit, they may require significant resources to defend. If an infringement claim is successful and we are required to pay damages, or we are unable to license the infringed technology or to substitute similar non-infringing technology, our business could be adversely affected.

Work Environment. *Our continuous improvement, customer experience and cost reduction initiatives could negatively impact productivity and business results.* As part of our ongoing efforts to optimize our cost structure, from time to time, we shift and realign our internal organizational structure and resources, which could temporarily result in reduced productivity levels. In addition to our initiatives to reduce costs and expenses, we have initiatives to grow revenue, drive innovation and improve the experience of our customers. We typically have many such initiatives underway. If we are not successful in implementing and managing these various initiatives and minimizing any resulting loss in productivity, we may not be able to achieve targeted cost savings or productivity gains, and our business and operating results could be negatively impacted.

If we do not attract and retain quality employees, we may not be able to meet our business objectives. Our employees are vital to our success, including the successful reinvention to a hardware-enabled, software driven business. Our ability to attract and retain highly skilled technical, sales, consulting and other key personnel, including key personnel of acquired businesses, is critical, as these key employees are difficult to replace. If we

are unable to attract or retain highly qualified employees by offering competitive compensation, secure work environments and leadership opportunities now and in the future, our business and operating results could be negatively impacted.

Our ability to effectively manage our business could be negatively impacted if we do not invest in and maintain reliable technology infrastructure and information systems. It is periodically necessary to add to, replace, upgrade or modify our technology infrastructure and internal information systems. If we are unable to expand, replace, upgrade or modify such systems in a timely and cost-effective manner, especially in light of demands on our information technology resources, our ability to capture and process financial transactions and therefore, our financial condition, results of operations, or ability to comply with legal and regulatory reporting obligations, may be impacted.

Internal Controls. *If we do not maintain effective internal controls, accounting policies, practices, and information systems necessary to ensure reliable reporting of our results, our ability to comply with our legal obligations could be negatively affected.* Our internal controls, accounting policies and practices, and internal information systems enable us to capture and process transactions in a timely and accurate manner in compliance with applicable accounting standards, laws and regulations, taxation requirements and federal securities laws and regulations. Our internal controls and policies are being closely monitored by management as we continue to implement a worldwide Enterprise Resource Planning (ERP) system. While we believe these controls, policies, practices and systems are adequate to ensure data integrity, unanticipated and unauthorized actions of employees or contractors (both domestic and international), temporary lapses in internal controls due to shortfalls in transition planning and oversight, or resource constraints, could lead to improprieties and undetected errors that could impact our financial condition, results of operations, or compliance with legal obligations. Moreover, while management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2013 (as set forth in "Management's Report on Internal Control over Financial Reporting" included in Item 9A of Part II of this Report), due to their inherent limitations, such controls may not prevent or detect misstatements in our reported financial statements. Such limitations include, among other things, the potential for human error or circumvention of controls. Further, the Company's internal control over financial reporting is subject to the risk that controls may become inadequate because of a failure to remediate control deficiencies, changes in conditions or a deterioration of the degree of compliance with established policies and procedures.

Environmental. *Our historical and ongoing manufacturing activities subject us to environmental exposures.* Our facilities and operations are subject to a wide range of environmental protection laws, and we have investigatory and remedial activities underway at a number of facilities that we currently own or operate, or formerly owned or operated, to comply, or to determine compliance, with such laws. In addition, our products are subject to environmental laws in a number of jurisdictions. Given the uncertainties inherent in such activities, there can be no assurances that the costs required to comply with applicable environmental laws will not impact future operating results. We have also been identified as a potentially responsible party in connection with certain environmental matters, including the Fox River and Kalamazoo River matters, as further described in Note 10, "Commitments and Contingencies," of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report; in "Environmental Matters" within Item 1 of Part I of this Report; and in "Environmental and Legal Contingencies" within the "Critical Accounting Policies and Estimates" section of the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of Part II of this Report, and we incorporate such disclosures by reference and make them a part of this discussion of risk factors.

Sale of Entertainment. *The sale of assets of our entertainment business may expose us to certain post-closing liabilities.* On February 3, 2012, we entered into an agreement to sell certain assets of our entertainment line of business to Redbox Automated Retail, LLC (Redbox). Pursuant to the terms of the agreement, as amended on June 22, 2012, and upon the terms and conditions thereof, on June 22, 2012, we completed the disposition of our entertainment line of business to Redbox for cash consideration of $100 million. We remain responsible for pre-closing liabilities of the entertainment business, and are subject to certain indemnification obligations in favor of Redbox for, among other things, breaches of representations, warranties and covenants under the purchase agreement. In addition, we may be subject to liabilities and obligations under and with respect to contracts and assets of the entertainment business that were not transferred to or assumed by Redbox.

Contingencies. *We face uncertainties with regard to regulations, lawsuits and other related matters.* In the normal course of business, we are subject to proceedings, lawsuits, claims and other matters, including, for example, those that relate to the environment, health and safety, labor and employment, employee benefits, import/export compliance, intellectual property, data privacy and security, product liability, commercial disputes and regulatory compliance, among others. Because such matters are subject to many uncertainties, their outcomes are not predictable and we must make certain estimates and assumptions in our financial statements. While we believe that amounts provided in our Consolidated Financial Statements with respect to such matters are currently adequate in light of the probable and estimable liabilities, there can be no assurances that the amounts required to satisfy alleged liabilities from such matters will not impact future operating results. Additionally, we are subject to diverse and complex laws and regulations, including those relating to corporate governance, public disclosure and reporting, environmental safety and the discharge of materials into the environment, product safety, import and export compliance, data privacy and security, antitrust and competition, government contracting, anti-corruption, and labor and human resources, which are rapidly changing and subject to many possible changes in the future. Compliance with these laws and regulations, including changes in accounting standards, taxation requirements, and federal securities laws among others, may create a substantial burden on us, and substantially increase costs to our organization or could have an impact on our future operating results.

Additionally, doing business on a worldwide basis requires us and our subsidiaries to comply with the laws and regulations of the U.S. government and various international jurisdictions. For example, our international operations are subject to U.S. and foreign anti-corruption laws and regulations, such as the Foreign Corrupt Practices Act, which generally prohibits U.S. companies or agents acting on behalf of such companies from making improper payments to foreign officials for the purpose of obtaining or keeping business. Our international operations are also subject to economic sanction programs administered by the U.S. Treasury Department's Office of Foreign Assets Control. If we are not in compliance with such laws and regulations, we may be subject to criminal and civil penalties, which may cause harm to our reputation and to our brand and could have an adverse effect on our business, financial condition and results of operations. See Note 10, "Commitments and Contingencies" of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report for information regarding our FCPA and OFAC investigations, which disclosures are incorporated by reference and made a part of this discussion of risk factors.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

As of December 31, 2013, NCR operated 276 facilities consisting of approximately 5.9 million square feet in 63 countries throughout the world. On a square footage basis, 24% of these facilities are owned and 76% are leased. Within the total facility portfolio, NCR operates 35 research and development and manufacturing facilities totaling 2.2 million square feet, 72% of which is leased. The remaining 3.7 million square feet of space includes office, repair, and warehousing space and other miscellaneous sites, and is 78% leased. NCR also owns 10 land parcels totaling 4 million square feet in 5 countries.

NCR is headquartered in Duluth, Georgia, USA. Our address at our corporate headquarters is 3097 Satellite Boulevard, Duluth, Georgia, 30096, USA.

Item 3. LEGAL PROCEEDINGS

Information regarding legal proceedings is included in Item 8 of Part II of this Report as part of Note 10, "Commitments and Contingencies," of the Notes to Consolidated Financial Statements and is incorporated herein by reference.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

NCR common stock is listed on the New York Stock Exchange and trades under the symbol "NCR." There were approximately 108,474 holders of NCR common stock as of February 11, 2014. The following table presents the high and low per share prices for NCR common stock for each quarter of 2013 and 2012 as reported on the NYSE.

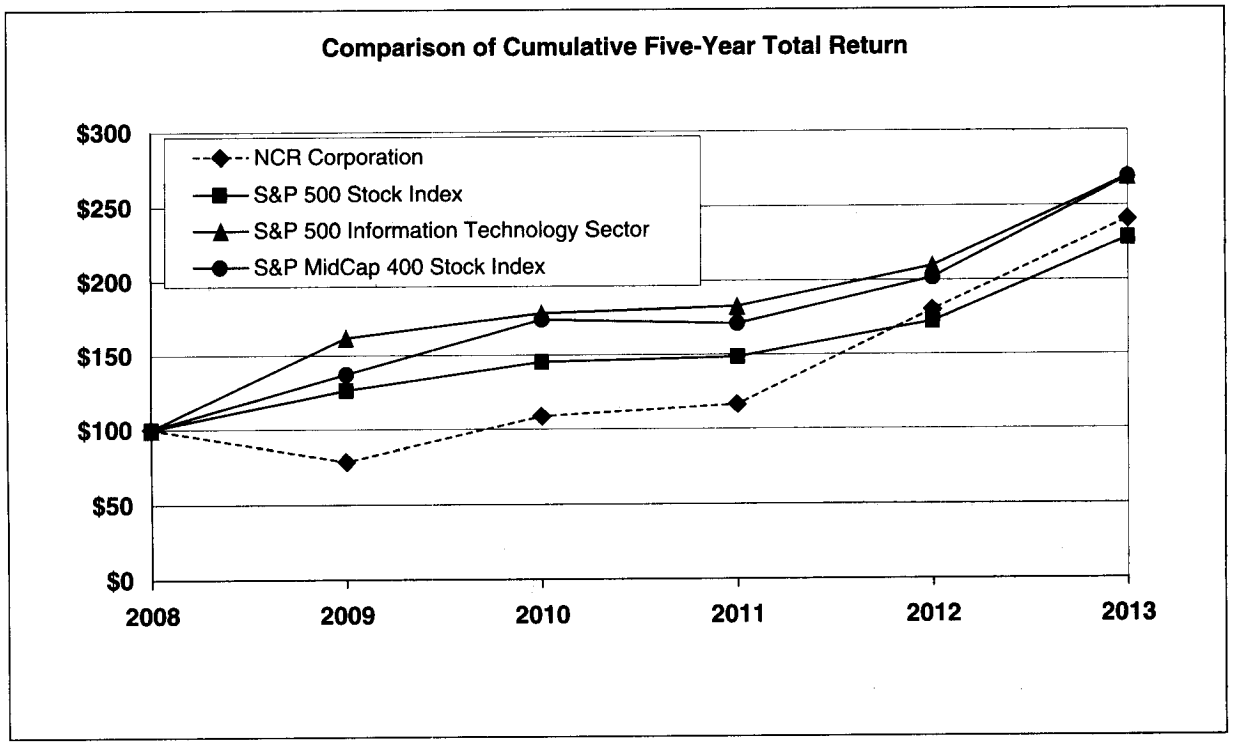
	2013		2012	
	High	Low	High	Low
1st quarter	**$29.76**	**$25.74**	$22.19	$16.39
2nd quarter	**$34.31**	**$25.64**	$23.91	$20.05
3rd quarter	**$39.94**	**$32.79**	$25.99	$21.55
4th quarter	**$41.63**	**$31.38**	$25.75	$20.92

Dividends

Historically NCR has not paid cash dividends and does not anticipate the payment of cash dividends on NCR common stock in the immediate future. The declaration of dividends is restricted under our senior secured credit facility and the terms of the indentures for our senior unsecured notes, and would be further subject to the discretion of NCR's Board of Directors.

Stock Performance Graph

The following graph compares the relative investment performance of NCR stock, the Standard & Poor's MidCap 400 Stock Index, Standard & Poor's 500 Information Technology Sector and the Standard & Poor's 500 Stock Index. This graph covers the five-year period from December 31, 2008 through December 31, 2013.



Company / Index	2009	2010	2011	2012	2013
NCR Corporation	$ 79	$109	$116	$180	$241
S&P 500 Stock Index	$126	$146	$149	$172	$228
S&P 500 Information Technology Sector	$162	$178	$183	$210	$269
S&P MidCap 400 Stock Index	$137	$174	$171	$202	$269

(1) In each case, assumes a $100 investment on December 31, 2008, and reinvestment of all dividends, if any.

Purchase of Company Common Stock In October 1999, the Company's Board of Directors authorized a share repurchase program that provided for the repurchase of up to $250 million of its common stock, with no expiration from the date of authorization. On October 31, 2007 and July 28, 2010, the Board authorized the repurchase of an additional $250 million and $210 million, respectively, under this share repurchase program. In December 2000, the Board approved a systematic share repurchase program, with no expiration from the date of authorization, to be funded by the proceeds from the purchase of shares under the Company's Employee Stock Purchase Plan and the exercise of stock options, for the purpose of offsetting the dilutive effects of the employee stock purchase plan and outstanding options. As of December 31, 2013, approximately $179 million and $119 million remained available for further repurchases of the Company's common stock under the 1999 and 2000 Board of Directors share repurchase programs, respectively. The Company's ability to repurchase its common stock is restricted under the Company's senior secured credit facility and terms of the indentures for the Company's senior unsecured notes.

During the three months ended December 31, 2013, the Company did not repurchase any shares of its common stock. The Company occasionally purchases vested restricted stock shares at the current market price to cover withholding taxes. During the three months ended December 31, 2013, 29,052 shares of vested restricted stock were purchased at an average price of $36.42 per share.

Item 6. SELECTED FINANCIAL DATA

In millions, except per share and employee and contractor amounts For the years ended December 31	2013	2012	2011	2010	2009
Continuing Operations [a]					
Revenue	**$ 6,123**	$ 5,730	$ 5,291	$ 4,711	$ 4,579
Income (loss) from operations	**$ 666**	$ 748	$ (148)	$ 298	$ 348
Interest expense	**$ (103)**	$ (42)	$ (13)	$ (2)	$ (10)
Income tax expense (benefit)	**$ 98**	$ 223	$ (66)	$ 5	$ 121
Income (loss) from continuing operations attributable to NCR common stockholders	**$ 452**	$ 475	$ (97)	$ 277	$ 183
(Loss) income from discontinued operations, net of tax	**$ (9)**	$ 6	$ (93)	$ (10)	$ (115)
Basic earnings (loss) per common share attributable to NCR common stockholders:					
From continuing operations [a,b]	**$ 2.73**	$ 2.98	$ (0.61)	$ 1.73	$ 1.15
From discontinued operations	**$ (0.05)**	$ 0.04	$ (0.59)	$ (0.06)	$ (0.72)
Total basic earnings (loss) per common share	**$ 2.68**	$ 3.02	$ (1.20)	$ 1.67	$ 0.43
Diluted earnings (loss) per common share attributable to NCR common stockholders:					
From continuing operations [a,b]	**$ 2.67**	$ 2.90	$ (0.61)	$ 1.72	$ 1.14
From discontinued operations	**$ (0.05)**	$ 0.04	$ (0.59)	$ (0.06)	$ (0.72)
Total diluted earnings (loss) per common share	**$ 2.62**	$ 2.94	$ (1.20)	$ 1.66	$ 0.42
Cash dividends per share	**$ —**	$ —	$ —	$ —	$ —
As of December 31					
Total assets	**$ 8,108**	$ 6,369	$ 5,604	$ 4,361	$ 4,094
Total debt	**$ 3,354**	$ 1,963	$ 853	$ 11	$ 15
Total NCR stockholders' equity	**$ 1,769**	$ 1,252	$ 718	$ 883	$ 564
Number of employees and contractors	**29,300**	25,700	23,500	21,000	21,500

[a] Continuing operations excludes the costs and insurance recoveries relating to certain environmental obligations associated with discontinued operations, including the Fox River, Japan and Kalamazoo River matters, the closure of NCR's EFT payment processing business in Canada, and the results from our previously disposed healthcare solutions and Entertainment businesses.

[b] The following income (expense) amounts, net of tax are included in income from continuing operations for the years ended December 31:

In millions	2013	2012	2011	2010	2009
Pension benefit (expense)	**$ 58**	$117	$(398)	$(16)	$(10)
Acquisition related amortization of intangibles	**(48)**	(25)	(8)	—	—
Acquisition related costs	**(36)**	(16)	(28)	—	—
Acquisition related purchase price adjustments	**(10)**	—	—	—	—
OFAC and FCPA investigations	**(2)**	(2)	—	—	—
Japan valuation reserve release	**15**	—	—	39	—
Impairment charges	**—**	(7)	—	(9)	(30)
Legal settlements and charges	**—**	—	2	(5)	(4)
Incremental costs directly related to the relocation of the worldwide headquarters	**—**	—	—	(11)	(4)
Total	**$(23)**	$ 67	$(432)	$ (2)	$(48)

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)

BUSINESS OVERVIEW

NCR Corporation is a leading global technology company that provides innovative products and services that enable businesses to connect, interact and transact with their customers and enhance their customer relationships by addressing consumer demand for convenience, value and individual service. Our portfolio of self-service and assisted-service solutions serve customers in the financial services, retail, hospitality, travel, and telecommunications and technology industries and include automated teller machines (ATMs) and ATM and financial services software, point of sale (POS) devices and POS software, self-service kiosks and software applications that can be used by consumers to enable them to interact with businesses from their computer or mobile device. We also complement these product solutions by offering a complete portfolio of services that support both NCR and third party solutions. We also resell third-party networking products and provide related service offerings in the telecommunications and technology sectors.

We have four operating segments: Financial Services, Retail Solutions, Hospitality and Emerging Industries. Each of our lines of business derives its revenues by selling products and services in each of the sales theaters in which NCR operates.

Our solutions are based on a foundation of long-established industry knowledge and consulting expertise, value-added software, hardware technology, global customer support services, and a complete line of business consumables and specialty media products.

NCR's reputation is founded upon over 129 years of providing quality products, services and solutions to our customers. At the heart of our customer and other business relationships is a commitment to acting responsibly, ethically and with the highest level of integrity. This commitment is reflected in NCR's Code of Conduct, which is available on the Corporate Governance page of our website.

2013 OVERVIEW

As more fully discussed in later sections of this MD&A, the following were significant themes and events for 2013:

- Revenue growth of approximately 7% compared to full year 2012
- Continued growth of higher margin software and services offerings and improvements in revenue mix
- Pension underfunded status improved by $372 million compared to 2012
- Completed the acquisition of Retalix Ltd.
- Entered into a definitive Agreement and Plan of Merger to acquire Digital Insight Corporation for a cash purchase price of approximately $1.65 billion
- Issued $400 million aggregate principal amount of 5.875% senior unsecured notes due in 2021, and $700 million aggregate principal amount of 6.375% senior notes due in 2023, to help finance the Digital Insight acquisition

OVERVIEW OF STRATEGIC INITIATIVES

We have established a focused and consistent business strategy targeted at revenue growth, gross margin expansion, improved customer loyalty and employee engagement. This strategy guided our efforts in 2013, and will continue to guide us in 2014.

To execute this strategy, we incorporate three key imperatives that align with our financial objectives: deliver disruptive innovation; focus on migrating our revenue to higher margin software and recurring services revenue; and more fully enable our sales force with a consultative selling model that better leverages the innovation we are bringing to the market.

Our strategy is summarized in more detail below:

- *Gain profitable share*—We have been working to shift our business model to focus on growth of higher margin software and services revenue, including by focusing our research and development efforts, changing and educating our sales force and executing transformative acquisitions in each of our core lines of business. At the same time, we are continuing our effort to optimize our investments in demand creation to increase NCR's market share in areas with the greatest potential for profitable growth, which include opportunities in self-service technologies with our core financial services, retail, and hospitality customers. We focus on expanding our presence in our core industries, while seeking additional growth by:
  - penetrating market adjacencies in single and multi-channel self-service segments;
  - expanding and strengthening our geographic presence and sales coverage across customer tiers through use of the indirect channel; and
  - leveraging NCR Services and consumables solutions to grow our share of customer revenue, improve customer retention, and deliver increased value to our customers.
- *Expand into emerging growth industry segments*—We are focused on broadening the scope of our self-service solutions from our existing customers to expand these solution offerings to customers in newer industry-vertical markets including telecommunications and technology as well as travel and gaming. We expect to grow our business in these industries through integrated service offerings in addition to targeted acquisitions and strategic partnerships.
- *Build the lowest cost structure in our industry*—We strive to increase the efficiency and effectiveness of our core functions and the productivity of our employees through our continuous improvement initiatives.
- *Enhance our global service capability*—We continue to identify and execute various initiatives to enhance our global service capability. We also focus on improving our service positioning, increasing customer service attach rates for our products and improving profitability in our services business. Our service capability can provide us with a competitive advantage in winning customers and it provides NCR with an attractive and stable revenue source.
- *Innovation of our people*—We are committed to solution innovation across all customer industries. Our focus on innovation has been enabled by closer collaboration between NCR Services and our lines of business, and the movement of our software development resources directly into our various lines of business. We also have placed responsibility for hardware engineering in our Integrated Supply Chain organization, which is responsible for procuring the parts for, and manufacturing, our hardware products. Innovation is also driven through investments in training and developing our employees by taking advantage of our new world-class training centers. We expect that these steps and investments will accelerate the delivery of innovative solutions focused on the needs of our customers and changes in consumer behavior.
- *Enhancing the customer experience*—We are committed to providing a customer experience to drive loyalty, focusing on product and software solutions based on the needs of our customers, a sales force enabled with the consultative selling model to better leverage the innovative solutions we are bringing to market, and sales and support service teams focused on delivery and customer interactions. We continue to rely on the Customer Loyalty Survey, among other metrics, to measure our current state and set a course for our future state where we aim to continuously improve with solution innovations as well as through the execution of our service delivery programs.
- *Pursue strategic acquisitions that promote growth and improve gross margin*—We are continually exploring potential acquisition opportunities in the ordinary course of business to identify acquisitions that can accelerate the growth of our business and improve our gross margin mix, with a particular focus on software-oriented transactions. We may fund acquisitions through either equity or debt, including borrowings under our senior secured credit facility.

We are encouraged by our market position for 2014 and are forecasting revenue to be higher than 2013. We plan to continue to manage our costs effectively and balance our investments in areas that generate high returns. Potentially significant risks to the execution of our initiatives include the global economic and credit environment and its effect on capital spending by our customers, competition that can drive further price erosion and potential loss of market share, difficulties associated with introduction of products in new self-service markets, market adoption of our products by customers, management and servicing of our existing indebtedness, and integration of previously completed acquisitions. For further information on potential risks and uncertainties see Item 1A "Risk Factors."

RESULTS FROM OPERATIONS

The following table shows our results for the years ended December 31:

In millions	2013	2012	2011
Revenue	**$6,123**	$5,730	$5,291
Gross margin	**1,740**	1,645	951
Gross margin as a percentage of revenue	**28.4%**	28.7%	18.0%
Operating expenses			
Selling, general and administrative expenses	**871**	742	890
Research and development expenses	**203**	155	209
Income (loss) from operations	**$ 666**	$ 748	$ (148)

The following table shows our revenues and gross margins from products and services, respectively, for the years ended December 31:

In millions	2013	2012	2011
Product revenue	**$2,912**	$2,854	$2,592
Cost of products	**2,152**	2,144	2,022
Product gross margin	**$ 760**	$ 710	$ 570
Product gross margin as a percentage of revenue	**26.1%**	24.9%	22.0%
Services revenue	**$3,211**	$2,876	$2,699
Cost of services	**2,231**	1,941	2,318
Services gross margin	**$ 980**	$ 935	$ 381
Services gross margin as a percentage of revenue	**30.5%**	32.5%	14.1%

The following table shows our revenues by theater for the years ended December 31:

In millions	2013	% of Total	2012	% of Total	% Increase (Decrease)	% Increase (Decrease) Constant Currency
Americas	**$3,030**	**50%**	$2,823	49%	7%	8%
Europe	**1,492**	**24%**	1,459	26%	2%	1%
Asia Middle East Africa (AMEA)	**1,601**	**26%**	1,448	25%	11%	18%
Consolidated revenue	**$6,123**	**100%**	$5,730	100%	7%	9%

2013 compared to 2012 results discussion

Revenue

Revenue increased 7% in 2013 from 2012 due to improvement in our retail solutions, hospitality, and emerging industries lines of business offset by declines in our financial services line of business. The effects of foreign currency fluctuations had a 2% unfavorable impact on revenue for the year. For the year ended

December 31, 2013, our product revenue increased 2% and services revenue increased 12% compared to the year ended December 31, 2012. The increase in our product revenue was due to growth in the retail solutions line of business in the Americas, growth in the hospitality line of business in all theaters, and growth in the financial services and emerging industries lines of business in the AMEA theater partially offset by declines in the financial services line of business in the Americas. The increase in our services revenue was primarily attributable to increases in professional and installation services, maintenance services and software as a service (SaaS) in the retail solutions line of business in the Americas and AMEA theaters, in the hospitality line of business in all theaters and in the financial services line of business in the AMEA theater, partially offset by declines in professional and installation services and maintenance services in the emerging industries line of business in the Americas theater.

Gross Margin

Gross margin as a percentage of revenue was 28.4% in 2013 compared to 28.7% in 2012. Product gross margin in 2013 increased to 26.1% compared to 24.9% in 2012. During 2013 and 2012, product gross margin was adversely affected by approximately $36 million and $19 million, respectively, of acquisition related amortization of intangibles. Product gross margin in 2013 was also negatively impacted by $14 million in lower pension benefit, or 0.5% as a percentage of product revenue, year over year. After considering these items, the product gross margin increased due to favorable sales mix with an increase in software revenue.

Services gross margin decreased to 30.5% in 2013 compared to 32.5% in 2012. Services gross margin in 2013 was negatively impacted by $68 million in lower pension benefit, or 2.1% as a percentage of services revenue, year over year. After considering this item, the increase in services gross margin was due to a favorable mix of revenues, including an increase in SaaS revenues.

2012 compared to 2011 results discussion

Revenue

Revenue increased 8% in 2012 from 2011 due to improvement in our financial services and hospitality lines of business offset by declines in our retail solutions and emerging industries lines of business. The effects of foreign currency fluctuations had a 3% unfavorable impact on revenue. For the year ended December 31, 2012, our product revenue increased 10% and services revenue increased 7% compared to the year ended December 31, 2011. The increase in our product revenue was due to growth in the financial services line of business in the Americas, Europe and AMEA theaters, and growth in the hospitality line of business in the Americas theater offset by declines in the retail solutions line of business in the Americas and Europe theaters. The increase in our services revenue was primarily attributable to increases in professional and installation services and maintenance services in the financial services and hospitality lines of business in the Americas theater offset by declines in such services in the retail solutions line of business in the Americas and Europe theaters.

Gross Margin

Gross margin as a percentage of revenue was 28.7% in 2012 compared to 18.0% in 2011. Product gross margin in 2012 increased slightly to 24.9% compared to 22.0% in 2011. During 2012 and 2011, product gross margin was adversely affected by approximately $19 million and $6 million, respectively, of acquisition related amortization of intangibles. Product gross margin was positively impacted by $37 million in lower pension expense, or 1.3% as a percentage of product revenue, year over year. After considering these items, the product gross margin increased due to favorable sales mix with an increase in software revenue.

Services gross margin increased to 32.5% in 2012 compared to 14.1% in 2011. Services gross margin was positively impacted by $454 million in lower pension expense, or 15.8% as a percentage of services revenue, year over year. After considering this item, the increase in services gross margin was due to lower labor and service delivery costs.

Effects of Pension, Postemployment, and Postretirement Benefit Plans

NCR's income from continuing operations for the years ended December 31 was impacted by certain employee benefit plans as shown below:

In millions	2013	2012	2011
Pension (benefit) expense	**$(78)**	$(224)	$582
Postemployment expense	**18**	37	46
Postretirement benefit	**(15)**	(14)	(13)
Total (benefit) expense	**$(75)**	$(201)	$615

In 2013, pension benefit decreased to $78 million compared to $224 million in 2012 and expense of $582 million in 2011. In 2013, the pension benefit included actuarial gains of $104 million driven by increases in discount rates used to value the U.S. and certain international plans and $15 million associated with the termination of NCR's U.S. non-qualified pension plans. Additionally, the 2013 pension benefit included special termination benefit costs of $26 million related to U.S. employees who irrevocably accepted a voluntary early retirement offer during 2013. In 2013, approximately 41% of the pension benefit was included in selling, general and administrative and research and development expenses, with the remaining 59% included in cost of products and services. In 2012, the pension benefit included actuarial gains of $293 million related to remeasurement of the U.S. pension obligations in the fourth quarter of 2012, which primarily included the impact of the voluntary lump sum offer to certain participants of the U.S. qualified pension plan that was completed in the fourth quarter of 2012. In 2011, pension expense included actuarial losses of $570 million driven by significant decreases in discount rates used to value the U.S. and international pension plan obligations.

Postemployment expense (severance and disability medical) was $18 million in 2013 compared to $37 million in 2012 and $46 million in 2011. During the first quarter of 2013, NCR amended its U.S. separation plan to eliminate the accumulation of postemployment benefits. This amendment resulted in a curtailment benefit of approximately $13 million. The decrease in postemployment expense in 2012 was primarily related to $6 million of Radiant acquisition related severance costs incurred in 2011.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $129 million to $871 million in 2013 from $742 million in 2012. As a percentage of revenue, these expenses were 14.2% in 2013 and 12.9% in 2012. In 2013, selling, general and administrative expenses include $22 million of pension benefit, $46 million of acquisition related costs, $29 million of amortization of acquisition related intangible assets and $3 million of legal costs related to the previously disclosed OFAC and FCPA internal investigations. In 2012, selling, general and administrative expenses included a pension benefit of $66 million, $23 million of acquisition related costs, $19 million of amortization of acquisition related intangible assets and $4 million of legal costs related to the previously disclosed OFAC and FCPA internal investigations. After considering these items, selling, general and administrative expenses remained consistent as a percentage of revenue at 13.3%, primarily due to a $7 million gain on the sale of an office property in 2013 offset by investment in sales resources during 2013.

Selling, general, and administrative expenses decreased $148 million to $742 million in 2012 from $890 million in 2011. As a percentage of revenue, these expenses were 12.9% in 2012 and 16.8% in 2011. In 2012, selling, general, and administrative expenses included a pension benefit of $66 million, $23 million of acquisition related costs, $19 million of amortization of acquisition related intangible assets and $4 million of legal costs related to the previously disclosed OFAC and FCPA internal investigations. In 2011, selling, general, and administrative expenses included $162 million of pension costs, $37 million of acquisition related costs, and $6 million of amortization of acquisition related intangible assets. After considering these items, selling, general and administrative expenses increased as a percentage of revenue to 13.3% in 2012 from 12.9% in 2011 primarily due to additional investments in sales resources.

Research and Development Expenses

Research and development expenses increased $48 million to $203 million in 2013 from $155 million in 2012. As a percentage of revenue, these costs were 3.3% in 2013 and 2.7% in 2012 . Research and development expenses included pension benefit of $10 million in 2013 as compared to pension benefit of $30 million in 2012. After considering this item, research and development expenses slightly increased to 3.5% in 2013 from 3.2% in 2012 as a percentage of revenue and are in line with management expectations as we continue to invest in broadening our self-service solutions.

Research and development expenses decreased $54 million to $155 million in 2012 from $209 million in 2011. As a percentage of revenue, these costs were 2.7% in 2012 and 4.0% in 2011. Research and development expenses included a $30 million pension benefit in 2012 as compared to pension expense of $57 million in 2011. After considering this item, research and development expenses slightly increased to 3.2% in 2012 from 2.9% in 2011 as a percentage of revenue and are in line with management expectations as we continue to invest in broadening our self-service solutions.

Interest and Other Expense Items

Interest expense was $103 million in 2013 compared to $42 million in 2012 and $13 million in 2011. Interest expense in 2013 was primarily related to the Company's senior unsecured notes and borrowings under the Company's senior secured credit facility. The increase in 2013 compared to 2012 is primarily related to a full year of interest expense related to the Company's senior unsecured notes in 2013 compared to a partial year of interest expense in 2012. The increase in 2012 compared to 2011 is primarily related to a full year of interest expense related to the Company's senior secured credit facility that was entered into in August 2011.

Other (expense) income, net was $9 million in 2013 compared to $8 million in 2012 and $3 million in 2011. Interest income was $6 million in 2013, $6 million in 2012, and $5 million in 2011. In 2013, other (expense) income, net included $13 million related to losses from foreign currency contracts not designated as hedging instruments as well as from foreign currency fluctuations and $7 million in bank related fees partially offset by income from the sale of certain patents and a $3 million gain on the sale of an investment. In 2012, other (expense) income, net included $7 million related to the impairment of an investment, $5 million in bank related fees and $2 million related to losses from foreign currency fluctuations. In 2011, other (expense) income, net included $7 million related to losses from foreign currency fluctuations partially offset by income from the sale of certain patents and a benefit of $3 million from final settlement of a litigation matter.

Income Taxes

The effective tax rate was 18% in 2013, 32% in 2012, and 40% in 2011. During 2013, we recorded a one-time benefit of approximately $16 million in connection with the American Taxpayer Relief Act of 2012 that was signed into law in January 2013 and the related retroactive tax relief for certain law provisions that expired in 2012. The 2013 tax rate was also favorably impacted by the release of a $10 million valuation allowance due to the implementation of a tax planning strategy to access certain deferred tax assets, a $15 million reduction in a valuation allowance related to a subsidiary in Japan, and a favorable mix of earnings by country, primarily related to lower pension benefit. During 2012, we favorably settled examinations with Canada for the 2003 tax year and Japan for tax years 2001 through 2006 that resulted in tax benefits of $14 million and $13 million, respectively. In addition, the 2012 tax rate was favorably impacted by the mix of earnings by country. These benefits were partially offset by an increase of $17 million to the U.S. valuation allowance for deferred tax assets, primarily related to tax attributes expiring by 2015. During 2011, we favorably settled examinations with Canada for 1997 through 2001 that resulted in a $12 million tax benefit.

During 2011, the Internal Revenue Service commenced an examination of our 2009 and 2010 income tax returns, which is ongoing. While we are subject to numerous federal, state and foreign tax audits, we believe that appropriate reserves exist for issues that might arise from these audits. Should these audits be settled, the resulting tax effect could impact the tax provision and cash flows in future periods. During 2014, the Company expects to resolve certain tax matters related to U.S. and foreign jurisdictions. These resolutions could have a material impact on the effective tax rate in 2014.

Income (Loss) from Discontinued Operations

For the year ended December 31, 2013, loss from discontinued operations was $9 million, net of tax, solely related to environmental matters, which was due to changes in estimates related to the Fox River reserve in addition to accruals for litigation fees related to the Kalamazoo River environmental matter, partially offset by recoveries from insurance carriers.

For the year ended December 31, 2012, income from discontinued operations was $6 million, net of tax, which includes a $4 million operating loss from the Entertainment business, an $8 million benefit from favorable changes in uncertain tax benefits related to Teradata and a $2 million benefit from an insurance recovery from a previously agreed settlement related to the Fox River environmental matter.

For the year ended December 31, 2011, loss from discontinued operations was $93 million, net of tax, which includes a $96 million operating loss from the Entertainment business, a $1 million operating loss from the closure of NCR's EFT payment processing business in Canada, and a $4 million operating loss from the divestiture of our healthcare solutions business, offset by $2 million of income from environmental matters which included the favorable impact of changes in estimates related to the Fox River reserve offset by an accrual for litigation fees related to the Kalamazoo River environmental matter and an accrual for anticipated future disposal costs related to an environmental matter in Japan, and a $6 million benefit from favorable changes in uncertain tax benefits attributable to Teradata.

Revenue and Operating Income by Segment

As described in Note 13, "Segment Information and Concentrations" of the Notes to Consolidated Financial Statements, the Company manages and reports its businesses in the following segments:

- **Financial Services**—We offer solutions to enable customers in the financial services industry to reduce costs, generate new revenue streams and enhance customer loyalty. These solutions include a comprehensive line of ATM and payment processing hardware and software and cash management and video banking software, and related installation, maintenance, and managed and professional services. We also offer a complete line of printer consumables.
- **Retail Solutions**—We offer solutions to customers in the retail industry designed to improve selling productivity and checkout processes as well as increase service levels. These solutions primarily include retail-oriented technologies, such as point of sale terminals and point-of-sale software, bar-code scanners, as well as innovative self-service kiosks, such as self-checkout. We also offer installation, maintenance, and managed and professional services and a complete line of printer consumables.
- **Hospitality**—We offer technology solutions to customers in the hospitality industry, serving businesses that range from a single store or restaurant to global chains and sports and entertainment venues. Our solutions include point of sale hardware and software solutions, installation, maintenance, and managed and professional services and a complete line of printer consumables.
- **Emerging Industries**—We offer maintenance as well as managed and professional services for third-party computer hardware provided to select manufacturers, primarily in the telecommunications industry, who value and leverage our global service capability. Also included in the Emerging Industries segment are solutions designed to enhance the customer experience for the travel and gaming industries, including self-service kiosks, as well as related installation, maintenance, and managed and professional services.

Each of these segments derives its revenues by selling products and services in the sales theaters in which NCR operates. Segments are measured for profitability by the Company's chief operating decision maker based on revenue and segment operating income. For purposes of discussing our operating results by segment, we exclude the impact of certain items from segment operating income, consistent with the manner by which management reviews each segment, evaluates performance, and reports our segment results under accounting principles generally accepted in the United States of America (otherwise known as GAAP). This format is useful

to investors because it allows analysis and comparability of operating trends. It also includes the same information that is used by NCR management to make decisions regarding the segments and to assess our financial performance.

Certain amounts have been excluded from segment operating income for each reporting segment presented below, including pension expense and certain other significant, non-recurring items. Our segment results are reconciled to total Company results reported under GAAP in Note 13, "Segment Information and Concentrations" of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report.

In the segment discussions below, we have disclosed the impact of foreign currency fluctuations as it relates to our segment revenue due to its significance.

Financial Services Segment

The following table presents the Financial Services revenue and segment operating income for the years ended December 31:

In millions	2013	2012	2011
Revenue	**$3,115**	$3,201	$2,999
Operating income	**$ 356**	$ 327	$ 313
Operating income as a percentage of revenue	**11.4%**	10.2%	10.4%

Financial Services revenue decreased 3% in 2013 compared to 2012 and increased 7% in 2012 compared to 2011. Revenue decreased in 2013 compared to 2012 primarily driven by declines in product sales in the Americas theater partially offset by growth in product sales and services revenues in the AMEA theater. Foreign currency fluctuations negatively impacted the year-over-year revenue comparison by 2%. Revenue growth in 2012 compared to 2011 was primarily generated from higher product volumes in the Americas, Europe and AMEA theaters, and higher services revenue in the Americas and Europe theaters. Foreign currency fluctuations negatively impacted the year-over-year revenue comparison by 3%.

Operating income was $356 million in 2013, $327 million in 2012 and $313 million in 2011. The increase in operating income in 2013 compared to 2012 was driven by a higher mix of software and professional services revenue, reduced expenses, and a reimbursement from a supplier of certain previously incurred costs in the second quarter of 2013. The improvement in Financial Services operating income in 2012 compared to 2011 was driven by higher product sales and an improved mix of services revenue, slightly offset by a continued investment in services and research and development.

Retail Solutions Segment

The following table presents the Retail Solutions revenue and segment operating income for the years ended December 31:

In millions	2013	2012	2011
Revenue	**$2,034**	$1,667	$1,778
Operating income	**$ 205**	$ 102	$ 71
Operating income as a percentage of revenue	**10.1%**	6.1%	4.0%

The Company completed the acquisition of Retalix on February 6, 2013. As a result, the revenue and operating income results for the Retail Solutions segment include the impact of Retalix from February 6, 2013 through December 31, 2013. Retalix generated revenue of $298 million and $53 million of operating income in the year ended December 31, 2013.

Retail Solutions revenue increased 22% in 2013 compared to 2012 and decreased 6% in 2012 compared to 2011. The increase in revenue in 2013 compared to 2012 was primarily driven by growth in product sales and services revenue in the Americas theater and services revenue in the AMEA theater, due, in part, to the impact of

the Retalix business. Foreign currency fluctuations negatively impacted the year-over-year revenue comparison by 3%. The decrease in revenue in 2012 compared to 2011 was primarily driven by declines in product sales and services revenue in the Americas and Europe theaters. Foreign currency fluctuations negatively impacted the year-over-year revenue comparison by 1%.

Operating income was $205 million in 2013, $102 million in 2012 and $71 million in 2011. The increase in the Retail Solutions operating income in 2013 compared to 2012 was primarily due to increased revenues, a higher mix of software as well as the contribution from the Retalix business, as noted above. The improvement in the Retail Solutions operating income in 2012 compared to 2011 was driven by a favorable mix of revenue and the movement of specialty retail customer accounts that were formerly part of the Hospitality segment to the Retail Solutions segment and the movement of hospitality customer accounts that were formerly part of the Retail Solutions segment to the Hospitality segment, both of which occurred as of January 1, 2012.

Hospitality Segment

The following table presents the Hospitality revenue and segment operating income for the years ended December 31:

In millions	2013	2012	2011
Revenue	**$ 626**	$ 522	$ 141
Operating income	**$ 100**	$ 85	$ 22
Operating income as a percentage of revenue	**16.0%**	16.3%	15.6%

The Hospitality segment generated revenue of $626 million in 2013, $522 million in 2012, and $141 million in 2011. The increase in revenue in 2013 compared to 2012 was primarily driven by growth in product sales and services revenues in all theaters. Foreign currency fluctuations negatively impacted the year-over-year revenue comparison by 1%.

Operating income for Hospitality was $100 million in 2013, $85 million in 2012, and $22 million in 2011. The increase in 2013 compared to 2012 was driven by higher revenues slightly offset by investment in sales and development resources.

The company completed its acquisition of Radiant Systems on August 24, 2011. Because the acquisition was completed during the third quarter of 2011, the revenue and operating income results for the Hospitality segment for the year ended December 31, 2011 are partial, and reflect only the period from August 24, 2011 through the end of the year.

Emerging Industries Segment

The following table presents the Emerging Industries revenue and segment operating income for the years ended December 31:

In millions	2013	2012	2011
Revenue	**$ 348**	$ 340	$ 373
Operating income	**$ 56**	$ 75	$ 77
Operating income as a percentage of revenue	**16.1%**	22.1%	20.6%

Emerging Industries revenue increased 2% in 2013 compared to 2012 and decreased 9% in 2012 compared to 2011. The increase in revenue in 2013 compared to 2012 was primarily driven by growth in product sales in the AMEA theater, partially offset by declines in services revenues in the Americas theater. Foreign currency fluctuations negatively impacted the year-over-year revenue comparison by 1%. The decrease in revenue in 2012 compared to 2011 was primarily driven by a decline in services revenue in the Americas theater. Foreign currency fluctuations negatively impacted the year-over-year revenue comparison by 2%.

Operating income was $56 million in 2013, $75 million in 2012, and $77 million in 2011. The decrease in the Emerging Industries operating income in 2013 compared to 2012 was primarily due to an unfavorable mix of revenues. The decline in the Emerging Industries operating income in 2012 compared to 2011 was primarily due to the decline in revenue.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

In the year ended December 31, 2013, cash provided by operating activities was $281 million and for the year ended December 31, 2012, cash used in operating activities was $180 million.

NCR's management uses a non-GAAP measure called "free cash flow" to assess the financial performance of the Company. We define free cash flow as net cash provided by (used in) operating activities and cash provided by (used in) discontinued operations, less capital expenditures for property, plant and equipment, less additions to capitalized software plus discretionary pension contributions and settlements. Free cash flow does not have a uniform definition under GAAP, and therefore NCR's definition may differ from other companies' definitions of this measure. We believe free cash flow information is useful for investors because it relates the operating cash flows from the Company's continuing and discontinued operations to the capital that is spent to continue and improve business operations. In particular, free cash flow indicates the amount of cash available after capital expenditures for, among other things, investments in the Company's existing businesses, strategic acquisitions and investments, repurchase of NCR stock and repayment of debt obligations. Free cash flow does not represent the residual cash flow available for discretionary expenditures, since there may be other non-discretionary expenditures that are not deducted from the measure. This non-GAAP measure should not be considered a substitute for, or superior to, cash flows from operating activities under GAAP. The table below reconciles net cash provided by (used in) operating activities, the most directly comparable GAAP measure, to NCR's non-GAAP measure of free cash flow for the year ended December 31:

In millions	2013	2012	2011
Net cash provided by (used in) operating activities	**$ 281**	$(180)	$388
Expenditures for property, plant and equipment	**(116)**	(80)	(61)
Additions to capitalized software	**(110)**	(80)	(62)
Net cash used in discontinued operations	**(52)**	(114)	(77)
Pension discretionary contributions and settlements	**204**	600	—
Free cash flow (non-GAAP)	**$ 207**	$ 146	$188

In 2013, net cash provided by operating activities increased $461 million, net capital expenditures increased $36 million, capitalized software additions increased $30 million, net cash used in discontinued operations decreased $62 million, and pension discretionary contributions and settlements were $204 million in 2013, down from $600 million in 2012, all of which contributed to a net increase in free cash flow of $61 million in comparison to 2012. The increase in net capital expenditures and capitalized software was due to continued investment in the business as well as research and development. The cash used in discontinued operations in 2013 was primarily attributable to remediation payments associated with the Fox River environmental matter. For the year ended December 31, 2012, net cash used in discontinued operations excludes cash provided by investing activities from discontinued operations of $99 million.

In 2012, net cash provided by operating activities decreased $568 million, net capital expenditures increased $19 million, capitalized software additions increased $18 million, net cash used in discontinued operations increased $37 million, and pension discretionary contributions and settlements were $600 million in 2012 and zero in 2011, all of which contributed to a net decrease in free cash flow of $42 million in comparison to 2011. The increase in net capital expenditures and capitalized software was due to additional investment since the acquisition of Radiant. The cash used in discontinued operations was attributable to the operating loss from the Entertainment business as well as remediation payments associated with the Fox River environmental matter. For the year ended December 31, 2012, net cash used in discontinued operations excludes cash provided by investing activities from discontinued operations of $99 million.

Financing activities and certain other investing activities are not included in our calculation of free cash flow. Our other investing activities primarily include business acquisitions, divestitures and investments as well as proceeds from the sales of property, plant and equipment. During the year ended December 31, 2013, we completed the acquisition of Retalix for $664 million, net of cash received, and multiple other acquisitions that totaled $116 million, net of cash received. During the year ended December 31, 2012, we completed multiple acquisitions that totaled $108 million, net of cash received. During the year ended December 31, 2011, we completed the acquisition of Radiant for approximately $1.087 billion, net of cash received (which is discussed further below), and the divestiture of our healthcare business for approximately $2 million.

Our financing activities primarily include proceeds from employee stock plans, repurchases of NCR common stock, issuance of unsecured notes and borrowings and repayments of credit facilities. During the years ended December 31, 2013, 2012 and 2011, proceeds from employee stock plans were $57 million, $53 million and $18 million, respectively. During the years ended December 31, 2013, 2012 and 2011, payments made for tax withholding on behalf of employees totaled $30 million, $12 million and zero, respectively. During the year ended December 31, 2013, we repurchased shares of our consolidated subsidiaries from minority shareholders for $24 million. During the year ended December 31, 2011, we repurchased approximately 3.6 million shares of NCR common stock for $70 million. Additionally, during the year ended December 31, 2011, we received proceeds of $43 million from the sale of a 49% voting equity interest in our manufacturing subsidiary in Brazil to Scopus Tecnologia, Ltda.

On December 4, 2013, we amended our senior secured credit facility with and among the lenders party thereto and JPMorgan Chase Bank, N.A. (JPMCB), as the administrative agent. As of December 31, 2013, the senior secured credit facility consisted of a term loan facility in an aggregate principal amount of $1.12 billion, and a revolving credit facility in an aggregate principal amount of $850 million. The revolving credit facility also allows a portion of the availability to be used for outstanding letters of credit, and as of December 31, 2013, outstanding letters of credit totaled approximately $22 million. As of December 31, 2013, the outstanding principal balance of the term loan facility was $1.12 billion and the outstanding balance on the revolving facility was zero. On December 4, 2013, under and in connection with the senior secured credit facility, we also entered into an incremental facility agreement with and among the lenders party thereto and JPMCB, as administrative agent. This incremental facility agreement created an additional $250 million of term loan commitments, which were drawn on January 10, 2014 in connection with the completion of the acquisition of Digital Insight.

On December 19, 2013, in connection with the anticipated acquisition of Digital Insight, through a newly formed wholly owned subsidiary, NCR Escrow Corp., we issued $400 million aggregate principal amount of 5.875% senior unsecured notes due in 2021 and $700 million aggregate principal amount of 6.375% senior unsecured notes due in 2023. Both the 5.875% and the 6.375% notes were sold at 100% of the principal amount, and are unsecured senior obligations of NCR Escrow Corp. and are guaranteed, on an unsecured senior basis, by our subsidiary, NCR International, Inc., which also guarantees our obligations under the senior secured credit facility. The aggregate principal amount from the offerings was initially deposited into a segregated escrow account of NCR Escrow Corp., and was held in that escrow account at December 31, 2013 to be used solely for the acquisition of Digital Insight, which was completed on January 10, 2014. The aggregate principal amount plus accrued interest funded to the escrow account totaling $1.11 billion has therefore been classified as restricted cash in the Consolidated Balance Sheet as of December 31, 2013.

On September 17, 2012, we issued $600 million aggregate principal amount of 5.00% senior unsecured notes due in 2022 and on December 18, 2012, we issued $500 million aggregate principal amount of 4.625% senior unsecured notes due in 2021. The 5.00% notes were sold at 100% of the principal amount and will mature on July 15, 2022. The 4.625% notes were sold at 100% of the principal amount and will mature on February 15, 2021. Both the 5.00% and the 4.625% notes are unsecured senior obligations of NCR Corporation and are guaranteed, on an unsecured senior basis, by our subsidiary, NCR International, Inc.

The net proceeds of the 5.00% notes of $592 million were used for a $500 million discretionary contribution to our U.S. qualified pension plan in the third quarter of 2012 and a $100 million discretionary contribution to our U.S. qualified pension plan in the fourth quarter of 2012. The net proceeds of the 4.625% notes of $494 million were used to help fund the acquisition of Retalix, which was completed during the first quarter of 2013.

See Note 6, "Debt Obligations," of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report for further information on the senior secured credit facility and the senior unsecured notes, and Note 18, "Subsequent Events" for additional information on the completion of the Digital Insight acquisition.

We expect to make pension, postemployment and postretirement plan contributions of approximately $122 million in 2014. Refer to Note 9, "Employee Benefit Plans," of the Notes to the Consolidated Financial Statements for additional discussion on our pension, postemployment and postretirement plans.

Cash and cash equivalents held by the Company's foreign subsidiaries were $461 million and $509 million at December 31, 2013 and 2012, respectively. Under current tax laws and regulations, if cash and cash equivalents and short-term investments held outside the United States are distributed to the United States in the form of dividends or otherwise, we may be subject to additional U.S. income taxes and foreign withholding taxes, which could be significant.

As of December 31, 2013, our cash and cash equivalents and restricted cash totaled $528 million and $1.11 billion, respectively, and our total debt was $3.35 billion. Excluding amounts available under the December 4, 2013 incremental facility agreement, our borrowing capacity under the term loan and revolver facility of our senior secured credit facility was $828 million at December 31, 2013. Our ability to generate positive cash flows from operations is dependent on general economic conditions, competitive pressures, and other business and risk factors described in Item 1A of Part I of this 2013 Annual Report on Form 10-K. If we are unable to generate sufficient cash flows from operations, or otherwise comply with the terms of our credit facilities, we may be required to seek additional financing alternatives.

We believe that we have sufficient liquidity based on our current cash position, cash flows from operations and existing financing to meet our expected pension, postemployment, and postretirement plan contributions, remediation payments related to the Fox River environmental matter, debt servicing obligations, and our operating requirements for the next twelve months.

Contractual Obligations In the normal course of business, we enter into various contractual obligations that impact, or could impact, the liquidity of our operations. The following table and discussion outlines our material obligations as of December 31, 2013 on an undiscounted basis, with projected cash payments in the years shown:

In millions	Total Amounts	2014	2015-2016	2017-2018	2019 & Thereafter	All Other
Debt obligations	$3,354	$ 34	$180	$ 932	$2,208	$—
Interest on debt obligations	1,207	159	299	267	482	—
Estimated environmental liability payments	163	46	54	8	55	—
Lease obligations	236	94	111	30	1	—
Purchase obligations	970	872	51	47	—	—
Uncertain tax positions	193	4	—	—	—	189
Total obligations	$6,123	$1,209	$695	$1,284	$2,746	$189

As of December 31, 2013, we had short and long-term debt totaling $3.35 billion. On January 10, 2014, in connection with the completion of the acquisition of Digital Insight, $250 million in incremental term loans were drawn under the Company's December 2013 incremental facility agreement along with approximately $300 million in additional borrowings under the revolving portion of the Company's senior secured credit facility, which are not included above. For additional information, refer to Note 18, "Subsequent Events," included in Item 8 of Part II of this Report.

For purposes of this table, we used interest rates as of December 31, 2013 to estimate the future interest on debt obligations outstanding as of December 31, 2013 and have assumed no voluntary prepayments of existing debt. See Note 6, "Debt Obligations," of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report for additional disclosure related to our debt obligations and the related interest rate terms.

We have also incorporated the expected fixed payments based on our interest rate swap related to our term loan. See Note 11, "Derivatives and Hedging Instruments," of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report for additional disclosure related to our interest rate swap.

The estimated environmental liability payments included in the table of contractual obligations shown above are related to the Fox River environmental matter. The amounts shown are NCR's expected payments, net of the payment obligations of its co-obligors; the amounts do not include an estimate for payments to be received from insurers or indemnification parties. For additional information, refer to Note 10, "Commitments and Contingencies," included in Item 8 of Part II of this Report.

Our lease obligations are primarily for certain sales and manufacturing facilities in various domestic and international locations as well as leases related to equipment and vehicles. Purchase obligations represent committed purchase orders and other contractual commitments for goods or services. The purchase obligation amounts were determined through information in our procurement systems and payment schedules for significant contracts. Included in the amounts are committed payments in relation to the long-term service agreement with Accenture under which NCR's transaction processing activities and functions are performed.

We have a $193 million liability related to our uncertain tax positions. Due to the nature of the underlying liabilities and the extended time often needed to resolve income tax uncertainties, we cannot make reliable estimates of the amount or timing of cash payments that may be required to settle these liabilities. For additional information, refer to Note 7, "Income Taxes," of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report.

We also have product warranties that may affect future cash flows. These items are not included in the table of obligations shown above, but are described in detail in Note 10, "Commitments and Contingencies," of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report.

Our U.S. and international employee benefit plans, which are described in Note 9, "Employee Benefit Plans," of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report, could require significant future cash payments. The funded status of NCR's U.S. pension plans is an underfunded position of $248 million as of December 31, 2013 compared to an underfunded position of $440 million as of December 31, 2012. The improvement in our funded status is primarily attributable to the $180 million in discretionary contributions and settlements in 2013. The funded status of our international retirement plans improved to an overfunded position of $159 million as of December 31, 2013 from an underfunded position of $21 million as of December 31, 2012. Strong asset returns and cash contributions coupled with increases in discount rates, which reduce the plan liabilities, contributed to the improvement in funded status for these plans. We may, in connection with the third phase of our pension strategy, make one or more discretionary contributions over the next two years but no such contributions are scheduled as of this date. Contributions to international and executive pension plans are expected to be approximately $88 million in 2014.

Our senior secured credit facility and the indentures for our senior unsecured notes includes affirmative and negative covenants that restrict or limit our ability to, among other things, incur indebtedness; create liens on assets; engage in certain fundamental corporate changes or changes to our business activities; make investments; sell or otherwise dispose of assets; engage in sale-leaseback or hedging transactions; pay dividends or make similar distributions; repay other indebtedness; engage in certain affiliate transactions; or enter into agreements that restrict our ability to create liens, pay dividends or make loan repayments. Our senior secured credit facility also includes financial covenants that require us to maintain:

- a consolidated leverage ratio on the last day of any fiscal quarter, not to exceed (i) in the case of any fiscal quarter ending on or prior to June 30, 2014, 4.85 to 1.00, (ii) in the case of any fiscal quarter ending after June 30, 2014 and on or prior to December 31, 2014, (a) the sum of (x) 4.50 and (y) an amount (not to exceed 0.25) to reflect new debt used to reduce NCR's underfunded pension liabilities, to (b) 1.00, (iii) in the case of any fiscal quarter ending after December 31, 2014 and on or prior to December 31, 2016, (a) the sum of (x) 4.25 and (y) an amount (not to exceed 0.50) to reflect new debt

used to reduce NCR's underfunded pension liabilities, to (b) 1.00, (iv) in the case of any fiscal quarter ending after December 31, 2016 and on or prior to December 31, 2017, 4.00 to 1.00, and (v) in the case of any fiscal quarter ending after December 31, 2017, 3.75 to 1.00; and

- an interest coverage ratio on the last day of any fiscal quarter to be less than (i) in the case of any fiscal quarter ending on or prior to December 31, 2014, 3.00 to 1.00, and (ii) in the case of any fiscal quarter ending after December 31, 2014, 3.50 to 1.00.

Off-Balance Sheet Arrangements We have no significant contractual obligations not fully recorded on our consolidated balance sheets or fully disclosed in the notes to our consolidated financial statements. We have no material off-balance sheet arrangements as defined by SEC Regulation S-K Item 303 (a) (4) (ii).

See Note 10, "Commitments and Contingencies," in the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for additional information on guarantees associated with NCR's business activities.

Disclosure Pursuant to Section 13(r)(1)(D)(iii) of the Securities Exchange Act. Pursuant to Section 13(r)(1)(D)(iii) of the Securities Exchange Act of 1934, as amended, we note that, during the period January 1, 2012 through December 31, 2012, the Company's branch in Syria maintained a bank account and guarantees at the Commercial Bank of Syria (CBS), which was designated as a Specially Designated National pursuant to Executive Order 13382 (EO 13382) on August 10, 2011. This bank account and the guarantees at CBS were maintained in the normal course of business prior to the listing of CBS pursuant to EO 13382. The bank account generated interest at a rate greater than or equal to 1 percent compounded semi-annually during the period covered by this Report and the account balance as of January 31, 2014 was approximately $5,307. The guarantees did not generate any revenue or profits for the Company. Pursuant to a license granted to the Company by the Office of Foreign Asset Controls (OFAC) on January 3, 2013 and subsequent licenses granted on April 29, 2013 and July 12, 2013, the Company has been winding down its operations in Syria. In connection with these efforts, the Company has also received authorization from OFAC to close the CBS account and terminate any guarantees. Following the closure of the account and termination of the guarantees upon receipt of a license from OFAC for this purpose, the Company does not intend to engage in any further business activities with CBS.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements are prepared in accordance with GAAP. In connection with the preparation of these financial statements, we are required to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and the related disclosure of contingent liabilities. These assumptions, estimates and judgments are based on historical experience and are believed to be reasonable at the time. However, because future events and their effects cannot be determined with certainty, the determination of estimates requires the exercise of judgment. Our critical accounting policies are those that require assumptions to be made about matters that are highly uncertain. Different estimates could have a material impact on our financial results. Judgments and uncertainties affecting the application of these policies and estimates may result in materially different amounts being reported under different conditions or circumstances. Our management continually reviews these assumptions, estimates and judgments to ensure that our financial statements are presented fairly and are materially correct.

In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require significant management judgment in its application. There are also areas in which management's judgment in selecting among available alternatives would not produce a materially different result. The significant accounting policies and estimates that we believe are the most critical to aid in fully understanding and evaluating our reported financial results are discussed in the paragraphs below. Our senior management has reviewed these critical accounting policies and related disclosures with our independent registered public accounting firm and the Audit Committee of our Board of Directors (see Note 1, "Description of Business and Significant Accounting Policies," of the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report, which contains additional information regarding our accounting policies and other disclosures required by GAAP).

Revenue Recognition NCR frequently enters into multiple-element arrangements with its customers including hardware, software, professional consulting services and maintenance support services. For arrangements involving multiple deliverables, when deliverables include software and non-software products and services, NCR evaluates and separates each deliverable to determine whether it represents a separate unit of accounting based on the following criteria: (a) the delivered item has value to the customer on a stand-alone basis; and (b) if the contract includes a general right of return relative to the delivered item, delivery or performance of the undelivered items is considered probable and substantially in the control of NCR.

For arrangements entered into or materially modified after January 1, 2011, consideration is allocated to each unit of accounting based on the unit's relative selling prices. In such circumstances, the Company uses a hierarchy to determine the selling price to be used for allocating revenue to each deliverable: (i) vendor-specific objective evidence of selling price (VSOE), (ii) third-party evidence of selling price (TPE), and (iii) best estimate of selling price (BESP). VSOE generally exists only when the Company sells the deliverable separately and is the price actually charged by the Company for that deliverable. VSOE is established for our software maintenance services and we use TPE to establish selling prices for our non-software related services, which include hardware maintenance, non-software related professional services, and transaction services. The Company uses BESP to allocate revenue when we are unable to establish VSOE or TPE of selling price. BESP is primarily used for elements such as products that are not consistently priced within a narrow range. The Company determines BESP for a deliverable by considering multiple factors including product class, geography, average discount, and management's historical pricing practices. Amounts allocated to the delivered hardware and software elements are recognized at the time of sale provided the other conditions for revenue recognition have been met. Amounts allocated to the undelivered maintenance and other services elements are recognized as the services are provided or on a straight-line basis over the service period. In certain instances, customer acceptance is required prior to the passage of title and risk of loss of the delivered products. In such cases, revenue is not recognized until the customer acceptance is obtained. Delivery and acceptance generally occur in the same reporting period.

For arrangements entered into prior to January 1, 2011, the Company has not applied BESP. In such arrangements, if the Company has the requisite evidence of selling price for the undelivered elements but not for the delivered elements, the Company applies the residual method to allocate arrangement consideration.

In situations where NCR's solutions contain software that is more than incidental, revenue related to the software and software-related elements is recognized in accordance with authoritative guidance on software revenue recognition. For the software and software-related elements of such transactions, revenue is allocated based on the relative fair value of each element, and fair value is determined by VSOE. If the Company cannot objectively determine the fair value of any undelivered element included in such multiple-element arrangements, the Company defers revenue until all elements are delivered and services have been performed, or until fair value can objectively be determined for any remaining undelivered elements. When the fair value of a delivered element has not been established, but fair value exists for the undelivered elements, the Company uses the residual method to recognize revenue. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is allocated to the delivered elements and is recognized as revenue.

For certain of NCR's long-term contracts, primarily related to the acquisition of Retalix, the Company utilizes a percentage-of-completion accounting method, which requires estimates of future revenues and costs over the full term of product and/or service delivery. Estimated losses, if any, on long-term projects are recognized as soon as such losses become known.

Revenue recognition for complex contractual arrangements, especially those with multiple elements, requires a significant level of judgment and is based upon a review of specific contracts, past experience, the selling price of undelivered elements when sold separately, creditworthiness of customers, international laws and other factors. Changes in judgments about these factors could impact the timing and amount of revenue recognized between periods.

Allowance for Doubtful Accounts We evaluate the collectability of our accounts receivable based on a number of factors. We establish provisions for doubtful accounts using percentages of our accounts receivable balance as an overall proxy to reflect historical average credit losses and also use management judgment that may include elements that are uncertain, including specific provisions for known issues. The percentages are applied to aged accounts receivable balances. Aged accounts are determined based on the number of days the receivable is outstanding, measured from the date of the invoice, or from the date of revenue recognition. As the age of the receivable increases, the provision percentage also increases. This policy is applied consistently among all of our operating segments.

Based on the factors below, we periodically review customer account activity in order to assess the adequacy of the allowances provided for potential losses. Factors include economic conditions and judgments regarding collectability of account balances, each customer's payment history and creditworthiness.

The allowance for doubtful accounts was $18 million as of December 31, 2013, $16 million as of December 31, 2012, and $16 million as of December 31, 2011. These allowances represent, as a percentage of gross receivables, 1.3% in 2013, 1.5% in 2012, and 1.5% in 2011.

Given our experience, the reserves for potential losses are considered adequate, but if one or more of our larger customers were to default on its obligations, we could be exposed to potentially significant losses in excess of the provisions established. We continually evaluate our reserves for doubtful accounts and economic deterioration could lead to the need to increase our allowances.

Inventory Valuation Inventories are stated at the lower of cost or market, using the average cost method. Each quarter, we reassess raw materials, work-in-process, parts and finished equipment inventory costs to identify purchase or usage variances from standards, and valuation adjustments are made. Additionally, to properly provide for potential exposure due to slow-moving, excess, obsolete or unusable inventory, a reserve against inventory is established. This reserve is established based on forecasted usage, orders, technological obsolescence and inventory aging. These factors are impacted by market conditions, technology changes and changes in strategic direction, and require estimates and management judgment that may include elements that are uncertain. On a quarterly basis, we review the current market value of inventory and adjust for any inventory exposure due to age or excess of cost over market value.

We have inventory in more than 40 countries around the world. We purchase inventory from third party suppliers and manufacture inventory at our plants. This inventory is transferred to our distribution and sales organizations at cost plus a mark-up. This mark-up is referred to as inter-company profit. Each quarter, we review our inventory levels and analyze our inter-company profit to determine the correct amount of inter-company profit to eliminate. Key assumptions are made to estimate product gross margins, the product mix of existing inventory balances and current period shipments. Over time, we refine these estimates as facts and circumstances change. If our estimates require refinement, our results could be impacted. The policies described are consistently applied across all of our operating segments.

Warranty Reserves One of our key objectives is to provide superior quality products and services. To that end, we provide a standard manufacturer's warranty typically extending up to 12 months, allowing our customers to seek repair of products under warranty at no additional cost. A corresponding estimated liability for potential warranty costs is also recorded at the time of the sale. We sometimes offer extended warranties in the form of product maintenance services to our customers for purchase. We defer the fair value of these revenues and recognize revenue over the life of the extended warranty period. Refer to Note 1, "Description of Business and Significant Accounting Policies," in the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for further information regarding our accounting for extended warranties.

Future warranty obligation costs are based upon historical factors such as labor rates, average repair time, travel time, number of service calls per machine and cost of replacement parts. When a sale is consummated, the total customer revenue is recognized and the associated warranty liability is recorded based upon the estimated cost to provide the service over the warranty period.

Total warranty costs were $39 million in 2013, $46 million in 2012, and $42 million in 2011. Warranty costs as a percentage of total product revenues were 1.3% in 2013, 1.6% in 2012, and 1.6% in 2011. Historically, the principal factor used to estimate our warranty costs has been service calls per machine. Significant changes in this factor could result in actual warranty costs differing from accrued estimates. Although no near-term changes in our estimated warranty reserves are currently anticipated, in the unlikely event of a significant increase in warranty claims by one or more of our larger customers, costs to fulfill warranty obligations would be higher than provisioned, thereby impacting results.

Goodwill Goodwill is tested at the reporting unit level for impairment on an annual basis during the fourth quarter or more frequently if certain events occur indicating that the carrying value of goodwill may be impaired. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include a decline in expected cash flows, a significant adverse change in legal factors or in the business climate, a decision to sell a business, unanticipated competition, or slower growth rates, among others.

In the evaluation of goodwill for impairment, we first perform a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than the carrying amount. If so, we perform a quantitative assessment and compare the fair value of the reporting unit to the carrying value. If the carrying value of a reporting unit exceeds its fair value, the goodwill of that reporting unit is potentially impaired and we proceed to step two of the impairment analysis. In step two of the analysis, we will record an impairment loss equal to the excess of the carrying value of the reporting unit's goodwill over its implied fair value. Fair value of the reporting units is estimated primarily using the income approach, which incorporates the use of discounted cash flow (DCF) analyses. A number of significant assumptions and estimates are involved in the application of the DCF model to forecast operating cash flows, including markets and market shares, sales volumes and prices, costs to produce, tax rates, capital spending, discount rate and working capital changes. Most of these assumptions vary among reporting units. The cash flow forecasts are generally based on approved strategic operating plans.

Valuation of Long-lived Assets and Amortizable Other Intangible Assets We perform impairment tests for our long-lived assets if an event or circumstance indicates that the carrying amount of our long-lived assets may not be recoverable. In response to changes in industry and market conditions, we may also strategically realign our resources and consider restructuring, disposing of, or otherwise exiting businesses. Such activities could result in impairment of our long-lived assets or other intangible assets. We also are subject to the possibility of impairment of long-lived assets arising in the ordinary course of business. We consider the likelihood of impairment if certain events occur indicating that the carrying value of the long-lived assets may be impaired and we may recognize impairment if the carrying amount of a long-lived asset or intangible asset is not recoverable from its undiscounted cash flows. Impairment is measured as the difference between the carrying amount and the fair value of the asset. We use both the income approach and market approach to estimate fair value. Our estimates of fair value are subject to a high degree of judgment since they include a long-term forecast of future operations. Accordingly, any value ultimately derived from our long-lived assets may differ from our estimate of fair value.

Pension, Postretirement and Postemployment Benefits We sponsor domestic and foreign defined benefit pension and postemployment plans as well as domestic postretirement plans. As a result, we have significant pension, postretirement and postemployment benefit costs, which are developed from actuarial valuations. Actuarial assumptions attempt to anticipate future events and are used in calculating the expense and liability relating to these plans. These factors include assumptions we make about interest rates, expected investment return on plan assets, rate of increase in healthcare costs, total and involuntary turnover rates, and rates of future compensation increases. In addition, our actuarial consultants advise us about subjective factors such as withdrawal rates and mortality rates to use in our valuations. We generally review and update these assumptions on an annual basis at the beginning of each fiscal year. We are required to consider current market conditions, including changes in interest rates, in making these assumptions. The actuarial assumptions that we use may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates, or longer or shorter life spans of participants. These differences may result in a significant impact to the amount of pension, postretirement or postemployment benefits expense we have recorded or may

record. Postemployment and postretirement expense impacts all of our segments. Pension expense is reported at the corporate level and is excluded from our segment results as it is not included in the evaluation of segment performance. See Note 13, "Segment Information and Concentrations," in the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for a reconciliation of our segment results to income from operations.

The key assumptions used in developing our 2013 expense were discount rates of 3.8% for our U.S. pension plans and 2.6% for our postretirement plan. We used an expected return on assets assumption of 3.8% for our U.S. plans in 2013. The U.S. plans represented 57% and 100% of total pension and postretirement plan obligations, respectively, as of December 31, 2013. We recognized changes in the fair value of plan assets and net actuarial gains or losses of our pension plans upon remeasurement, which is at least annually in the fourth quarter of each year. The remaining components of pension expense, primarily net service cost, interest cost, and the expected return on plan assets, were recorded on a quarterly basis as ongoing pension expense. Holding all other assumptions constant, a 0.25% change in the discount rate used for the U.S. plans would have increased or decreased 2013 ongoing pension expense by approximately $5 million and would have had an immaterial impact on 2013 postretirement expense. A 0.25% change in the expected rate of return on plan assets assumption for the U.S. pension plan would have increased or decreased 2013 ongoing pension expense by approximately $7 million. Our expected return on plan assets has historically been and will likely continue to be material to net income. While it is required that we review our actuarial assumptions each year at the measurement date, we generally do not change them between measurement dates. We use a measurement date of December 31 for all of our plans. Changes in assumptions or asset values may have a significant effect on the annual measurement of expense or income in the fourth quarter.

We intend to use discount rates of 4.6% and 3.4% in determining the 2014 U.S. qualified plan pension and postretirement expense, respectively, and an expected rate of return on assets assumption of 4.6% for the U.S. qualified plan. The most significant assumption used in developing our 2014 postemployment plan expense is the assumed rate of involuntary turnover of 4.8%. The involuntary turnover rate is based on historical trends and projections of involuntary turnover in the future. A 0.25% change in the rate of involuntary turnover would have increased or decreased 2013 expense by approximately $2 million. The sensitivity of the assumptions described above is specific to each individual plan and not to our pension, postretirement and postemployment plans in the aggregate.

Environmental and Legal Contingencies Each quarter, we review the status of each claim and legal proceeding and assess our potential financial exposure. If the potential loss from any claim or legal proceeding would be material and is considered probable and the amount can be reasonably estimated, we accrue a liability for the estimated loss. To the extent that the amount of such a probable loss is estimable only by reference to a range of equally likely outcomes, and no amount within the range appears to be a better estimate than any other amount, we accrue the amount at the low end of the range. Because of uncertainties related to these matters, the use of estimates, assumptions and judgments, and external factors beyond our control, accruals are based on the best information available at the time. As additional information becomes available, we reassess the potential liability related to our pending claims and litigation and may revise our estimates. Such revisions in the estimates of the potential liabilities could have a material impact on our results of operations and financial position. Except for the sharing agreement with Appleton Papers Inc. (API) with respect to a particular insurance settlement described in Note 10, "Commitments and Contingencies," in the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report with respect to the Fox River matter, when insurance carriers or third parties have agreed to pay any amounts related to costs, and we believe that it is probable that we can collect such amounts, those amounts are reflected as receivables in our Consolidated Balance Sheet.

The most significant legal contingency impacting our Company relates to the Fox River matter, which is further described in detail in Note 10, "Commitments and Contingencies," in the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report. NCR has been identified as a potentially responsible party (PRP) at the Fox River site in Wisconsin.

As described below and in Note 10, "Commitments and Contingencies," while substantial progress has been made in the Fox River clean-up, the extent of our potential liability continues to be subject to significant uncertainties. These uncertainties include the total clean-up costs for each of the segments of the river; the total natural resource damages for the site; the extent to which clean-up and other costs will be allocated to and paid by other PRPs; the solvency and willingness to pay of other PRPs, co-obligors or indemnitors; and the extent of NCR's eventual liability in the allocation litigation, including the outcome of the various appeals of the court orders and judgments in the allocation litigation and in the government enforcement action described in Note 10, "Commitments and Contingencies."

Our net reserve for the Fox River matter as of December 31, 2013 was approximately $112 million as further discussed in Note 10, "Commitments and Contingencies." The Company regularly re-evaluates the assumptions used in determining the appropriate reserve for the Fox River matter as additional information becomes available and, when warranted, makes appropriate adjustments.

In determining our reserve, we attempt to estimate a range of reasonably possible outcomes for relevant factors, although each range is itself highly uncertain. We use our best estimate within the range if that is possible. Where there is a range of equally likely outcomes, and there is no amount within that range that appears to be a better estimate than any other amount, we use the low end of the range. Our eventual liability for remediation, which we expect will be paid out over a period continuing into 2017 or later (and a longer period thereafter for long-term monitoring), will depend on a number of factors, the most significant of which are described in Note 10, "Commitments and Contingencies."

AT&T Corp. (AT&T) and Alcatel-Lucent are each responsible for indemnifying NCR for a portion of amounts NCR incurs for the Fox River matter over a certain threshold, which was reached in the fourth quarter of 2012. NCR's estimate of what AT&T and Alcatel-Lucent will pay under the indemnity totaled approximately $51 million as of December 31, 2013, and is deducted in determining the net reserve discussed above.

While it remains difficult to predict, there could be significant changes in the future to some of the assumptions underlying the reserve that could have a material effect on the amount of our reserve. Also, there are other estimates for some of these factors that are significantly higher than the estimates described herein. It is the opinion of the Company that the Fox River matter will have a moderate, but manageable, impact on our liquidity and capital resources, assuming that the Company's expenditures with respect to the Fox River matter are required to be paid over the time frame currently contemplated. However, if such an amount were required to be paid in a shorter time period or if any of NCR's co-obligors or indemnitors defaulted on or otherwise did not perform their contractual obligations, it could have a material impact on our liquidity and capital resources.

Income Taxes We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. The deferred tax assets and liabilities are determined based on the enacted tax rates expected to apply in the periods in which the deferred tax assets or liabilities are anticipated to be settled or realized.

We regularly review our deferred tax assets for recoverability and establish a valuation allowance if it is more likely than not that some portion or all of a deferred tax asset will not be realized. The determination as to whether a deferred tax asset will be realized is made on a jurisdictional basis and is based on the evaluation of positive and negative evidence. This evidence includes historical taxable income, projected future taxable income, the expected timing of the reversal of existing temporary differences and the implementation of tax planning strategies. Projected future taxable income is based on our expected results and assumptions as to the jurisdiction in which the income will be earned. The expected timing of the reversals of existing temporary differences is based on current tax law and our tax methods of accounting.

If we are unable to generate sufficient future taxable income, or if there is a material change in the actual effective tax rates or the time period within which the underlying temporary differences become taxable or deductible, or if the tax laws change unfavorably, then we could be required to increase our valuation allowance against our deferred tax assets, resulting in an increase in our effective tax rate.

We had valuation allowances of $364 million as of December 31, 2013 and $399 million as of December 31, 2012, related to certain deferred income tax assets, primarily tax loss carryforwards, in jurisdictions where there is uncertainty as to the ultimate realization of a benefit from those tax assets. At December 31, 2013, our net deferred tax assets in the United States totaled approximately $555 million. For the three year period ended December 31, 2013, we had a cumulative net loss from continuing operations before income taxes, which is generally considered a negative indicator of our ability to realize the benefits of those assets. We further evaluated the realizability by weighing both positive and negative evidence, including our history of taxable income in the U.S., and the substantial length of time over which our deferred tax assets relating to net operating losses and employee pensions may be realized. Through this assessment, realization of the related benefits was determined to be more likely than not.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized.

The provision for income taxes may change period-to-period based on non-recurring events, such as the settlement of income tax audits and changes in tax laws, as well as recurring factors including the geographic mix of income before taxes, state and local taxes and the effects of various global income tax strategies. We maintain certain strategic management and operational activities in overseas subsidiaries and our foreign earnings are taxed at rates that are generally lower than in the United States. As of December 31, 2013, we did not provide for U.S. federal income taxes or foreign withholding taxes on approximately $1.9 billion of undistributed earnings of our foreign subsidiaries as such earnings are expected to be reinvested indefinitely.

Refer to Note 7, "Income Taxes," in the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for disclosures related to foreign and domestic pretax income, foreign and domestic income tax (benefit) expense and the effect foreign taxes have on our overall effective tax rate.

Stock-based Compensation We measure compensation cost for stock awards at fair value and recognize compensation expense over the service period for which awards are expected to vest. We utilize the Black-Scholes option pricing model to estimate the fair value of options at the date of grant, which requires the input of highly subjective assumptions, including expected volatility and expected holding period. We estimate forfeitures for awards granted which are not expected to vest. The estimation of stock awards that will ultimately vest requires judgment, and to the extent that actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment in the period in which estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards and historical experience. Actual results and future changes in estimates may differ from our current estimates.

In addition, we have performance-based awards that vest only if specific performance conditions are satisfied, typically at the end of a multi-year performance period. The number of shares that will be earned can vary based on actual performance. No shares will vest if the objectives are not met, and in the event the objectives are exceeded, additional shares will vest up to a maximum amount. The cost of these awards is expensed over the performance period based upon management's estimates of achievement against the performance criteria. Because the actual number of shares to be awarded is not known until the end of the performance period, the actual compensation expense related to these awards could differ from our current expectations.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

A discussion of recently issued accounting pronouncements is described in Note 1, "Description of Business and Significant Accounting Policies,"of the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report, and we incorporate by reference such discussion in this MD&A.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

We are exposed to market risks primarily from changes in foreign currency exchange rates and interest rates. It is our policy to manage our foreign exchange exposure and debt structure in order to manage capital costs, control financial risks and maintain financial flexibility over the long term. In managing market risks, we employ derivatives according to documented policies and procedures, including foreign currency contracts and interest rate swaps. We do not use derivatives for trading or speculative purposes.

Foreign Exchange Risk

Since a substantial portion of our operations and revenue occur outside the United States, and in currencies other than the U.S. Dollar, our results can be significantly impacted by changes in foreign currency exchange rates. We have exposure to approximately 50 functional currencies and are exposed to foreign currency exchange risk with respect to our sales, profits and assets and liabilities denominated in currencies other than the U.S. Dollar. Although we use financial instruments to hedge certain foreign currency risks, we are not fully protected against foreign currency fluctuations and our reported results of operations could be affected by changes in foreign currency exchange rates. To manage our exposures and mitigate the impact of currency fluctuations on the operations of our foreign subsidiaries, we hedge our main transactional exposures through the use of foreign exchange forward and option contracts. These foreign exchange contracts are designated as highly effective cash flow hedges. This is primarily done through the hedging of foreign currency denominated inter-company inventory purchases by the marketing units. All of these transactions are firmly committed or forecasted. We also use derivatives not designated as hedging instruments consisting primarily of forward contracts to hedge foreign currency denominated balance sheet exposures. For these derivatives we recognize gains and losses in the same period as the remeasurement losses and gains of the related foreign currency-denominated exposures.

We utilize non-exchange traded financial instruments, such as foreign exchange forward and option contracts that we purchase exclusively from highly rated financial institutions. We record these contracts on our balance sheet at fair market value based upon market price quotations from the financial institutions. We do not enter into non-exchange traded contracts that require the use of fair value estimation techniques, but if we did, they could have a material impact on our financial results.

For purposes of analyzing potential risk, we use sensitivity analysis to quantify potential impacts that market rate changes may have on the fair values of our hedge portfolio related to firmly committed or forecasted transactions. The sensitivity analysis represents the hypothetical changes in value of the hedge position and does not reflect the related gain or loss on the forecasted underlying transaction. A 10% appreciation or depreciation in the value of the U.S. Dollar against foreign currencies from the prevailing market rates would result in a corresponding increase or decrease of $2 million as of December 31, 2013 in the fair value of the hedge portfolio. The Company expects that any increase or decrease in the fair value of the portfolio would be substantially offset by increases or decreases in the underlying exposures being hedged.

The U.S. Dollar was slightly stronger in 2013 compared to 2012 based on comparable weighted averages for our functional currencies. This had an unfavorable impact of 2% on 2013 revenue versus 2012 revenue. This excludes the effects of our hedging activities and, therefore, does not reflect the actual impact of fluctuations in exchange rates on our operating income.

Interest Rate Risk

We are subject to interest rate risk principally in relation to variable-rate debt under our senior secured credit facility. We use derivative financial instruments to manage exposure to fluctuations in interest rates in connection with our risk management policies. We have entered into an interest rate swap for a portion of our senior secured credit facility. The interest rate swap effectively converts a designated portion of the credit facility from a variable interest rate to a fixed interest rate instrument. Approximately 46% of our borrowings under the credit facility were effectively on a fixed rate basis as of December 31, 2013. As of December 31, 2013, the net fair value of the interest rate swap was a liability of $10 million.

The potential gain in fair value of the swap from a hypothetical 100 basis point increase in interest rates would be approximately $11 million as of December 31, 2013. The annual increase in pre-tax interest expense from a hypothetical 100 basis point increase in variable interest rates (including the impact of the interest rate swap) would be approximately $6 million as of December 31, 2013.

Concentrations of Credit Risk

We are potentially subject to concentrations of credit risk on accounts receivable and financial instruments, such as hedging instruments and cash and cash equivalents. Credit risk includes the risk of nonperformance by counterparties. The maximum potential loss may exceed the amount recognized on the balance sheet. Exposure to credit risk is managed through credit approvals, credit limits, selecting major international financial institutions (as counterparties to hedging transactions) and monitoring procedures. Our business often involves large transactions with customers for which we do not require collateral. If one or more of those customers were to default in its obligations under applicable contractual arrangements, we could be exposed to potentially significant losses. Moreover, a prolonged downturn in the global economy could have an adverse impact on the ability of our customers to pay their obligations on a timely basis. We believe that the reserves for potential losses are adequate. As of December 31, 2013, we did not have any significant concentration of credit risk related to financial instruments.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of NCR Corporation:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of NCR Corporation and its subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for defined benefit pension plans effective January 1, 2013.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Atlanta, Georgia
February 26, 2014

NCR Corporation

Consolidated Statements of Operations

For the years ended December 31 (in millions except per share amounts)	2013	2012	2011
Product revenue	**$2,912**	$2,854	$2,592
Service revenue	**3,211**	2,876	2,699
Total revenue	**6,123**	5,730	5,291
Cost of products	**2,152**	2,144	2,022
Cost of services	**2,231**	1,941	2,318
Selling, general and administrative expenses	**871**	742	890
Research and development expenses	**203**	155	209
Total operating expenses	**5,457**	4,982	5,439
Income (loss) from operations	**666**	748	(148)
Interest expense	**(103)**	(42)	(13)
Other (expense) income, net	**(9)**	(8)	(3)
Income (loss) from continuing operations before income taxes	**554**	698	(164)
Income tax expense (benefit)	**98**	223	(66)
Income (loss) from continuing operations	**456**	475	(98)
(Loss) income from discontinued operations, net of tax	**(9)**	6	(93)
Net income (loss)	**447**	481	(191)
Net income (loss) attributable to noncontrolling interests	**4**	—	(1)
Net income (loss) attributable to NCR	**$ 443**	$ 481	$ (190)
Amounts attributable to NCR common stockholders:			
Income (loss) from continuing operations	**$ 452**	$ 475	$ (97)
(Loss) income from discontinued operations, net of tax	**(9)**	6	(93)
Net income (loss)	**$ 443**	$ 481	$ (190)
Net income (loss) per share attributable to NCR common stockholders:			
Net income (loss) per common share from continuing operations			
Basic	**$ 2.73**	$ 2.98	$(0.61)
Diluted	**$ 2.67**	$ 2.90	$(0.61)
Net income (loss) per common share			
Basic	**$ 2.68**	$ 3.02	$(1.20)
Diluted	**$ 2.62**	$ 2.94	$(1.20)
Weighted average common shares outstanding			
Basic	**165.4**	159.3	158.0
Diluted	**169.3**	163.8	158.0

The accompanying notes are an integral part of the Consolidated Financial Statements.

NCR Corporation

Consolidated Statements of Comprehensive Income

For the years ended December 31 (in millions)	2013	2012	2011
Net income (loss)	**$447**	$481	$(191)
Other comprehensive income (loss):			
Currency translation adjustments			
Currency translation adjustments	**(53)**	(8)	(17)
Derivatives			
Unrealized gain (loss) on derivatives	**2**	(14)	(12)
Losses on derivatives arising during the period	**6**	1	4
Less income tax (expense) benefit	**(3)**	3	3
Securities			
Unrealized gain (loss) on securities	**3**	—	(1)
Less income tax (expense) benefit	**(1)**	—	—
Employee benefit plans			
Prior service (cost) benefit during the year	**(5)**	(2)	37
Amortization of prior service benefit	**(30)**	(17)	(14)
Net gain arising during the year	**82**	—	24
Amortization of actuarial loss	**8**	14	17
Less income tax (expense) benefit	**(17)**	1	(20)
Other comprehensive (loss) income	**(8)**	(22)	21
Total comprehensive income (loss)	**439**	459	(170)
Less comprehensive income attributable to noncontrolling interests:			
Net income (loss)	**4**	—	(1)
Currency translation adjustments	**(7)**	(4)	2
Amounts attributable to noncontrolling interests	**(3)**	(4)	1
Comprehensive income (loss) attributable to NCR common stockholders	**$442**	$463	$(171)

The accompanying notes are an integral part of the Consolidated Financial Statements.

NCR Corporation

Consolidated Balance Sheets

As of December 31 (in millions except per share amounts)	2013	2012
Assets		
Current assets		
Cash and cash equivalents	**$ 528**	$1,069
Restricted cash	**1,114**	—
Accounts receivable, net	**1,339**	1,086
Inventories	**790**	797
Other current assets	**568**	454
Total current assets	**4,339**	3,406
Property, plant and equipment, net	**352**	308
Goodwill	**1,534**	1,003
Intangibles, net	**494**	304
Prepaid pension cost	**478**	368
Deferred income taxes	**441**	532
Other assets	**470**	448
Total assets	**$8,108**	$6,369
Liabilities and stockholders' equity		
Current liabilities		
Short-term borrowings	**$ 34**	$ 72
Accounts payable	**670**	611
Payroll and benefits liabilities	**191**	186
Deferred service revenue and customer deposits	**525**	455
Other current liabilities	**461**	418
Total current liabilities	**1,881**	1,742
Long-term debt	**3,320**	1,891
Pension and indemnity plan liabilities	**532**	805
Postretirement and post employment benefits liabilities	**169**	246
Income tax accruals	**189**	138
Environmental liabilities	**121**	171
Other liabilities	**99**	79
Total liabilities	**6,311**	5,072
Commitments and Contingencies (Note 10)		
Redeemable noncontrolling interest	**14**	15
Stockholders' equity		
NCR stockholders' equity		
Preferred stock: par value $0.01 per share,100.0 shares authorized, no shares issued and outstanding as of December 31, 2013 and 2012, respectively	—	—
Common stock: par value $0.01 per share, 500.0 shares authorized, 166.6 and 162.8 shares issued and outstanding as of December 31, 2013 and 2012, respectively	**2**	2
Paid-in capital	**433**	358
Retained earnings	**1,372**	929
Accumulated other comprehensive loss	**(38)**	(37)
Total NCR stockholders' equity	**1,769**	1,252
Noncontrolling interests in subsidiaries	**14**	30
Total stockholders' equity	**1,783**	1,282
Total liabilities and stockholders' equity	**$8,108**	$6,369

The accompanying notes are an integral part of the Consolidated Financial Statements.

NCR Corporation

Consolidated Statements of Cash Flows

For the years ended December 31 (in millions)	2013	2012	2011
Operating activities			
Net income (loss)	**$ 447**	$ 481	$ (191)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Loss (income) from discontinued operations	**9**	(6)	93
Depreciation and amortization	**208**	166	128
Stock-based compensation expense	**41**	49	33
Excess tax benefit from stock-based compensation	**—**	—	(1)
Deferred income taxes	**3**	144	(130)
Gain on sale of property, plant and equipment and other assets	**(14)**	(10)	(5)
Impairment of long-lived and other assets	**—**	7	—
Changes in operating assets and liabilities:			
Receivables	**(136)**	(53)	(57)
Inventories	**10**	(42)	4
Current payables and accrued expenses	**21**	86	50
Deferred service revenue and customer deposits	**36**	31	34
Pension and indemnity plans	**(397)**	(994)	452
Other assets and liabilities	**53**	(39)	(22)
Net cash provided by (used in) operating activities	**281**	(180)	388
Investing activities			
Expenditures for property, plant and equipment	**(116)**	(80)	(61)
Proceeds from sales of property, plant and equipment	**10**	8	2
Additions to capitalized software	**(110)**	(80)	(62)
Business acquisitions, net of cash acquired	**(780)**	(108)	(1,085)
Change in restricted cash	**(1,114)**	—	—
Other investing activities, net	**5**	4	—
Net cash used in investing activities	**(2,105)**	(256)	(1,206)
Financing activities			
Repurchases of Company common stock	**—**	—	(70)
Tax withholding payments on behalf of employees	**(30)**	(12)	—
Repayment of short-term borrowings	**(1)**	—	—
Excess tax benefit from stock-based compensation	**—**	—	1
Proceeds from employee stock plans	**57**	53	18
Payments on term credit facilities	**(35)**	—	—
Borrowings on term credit facilities	**329**	150	700
Payments on revolving credit facility	**(1,009)**	(860)	(260)
Borrowings on revolving credit facility	**1,009**	720	400
Proceeds from bond offerings	**1,100**	1,100	—
Debt issuance costs	**(36)**	(19)	(29)
Proceeds from sale of noncontrolling interest	**—**	—	43
Purchase of noncontrolling interest	**(24)**	—	—
Dividend distribution to minority shareholder	**(3)**	(1)	(1)
Net cash provided by financing activities	**1,357**	1,131	802
Cash flows from discontinued operations			
Net cash used in operating activities	**(52)**	(114)	(37)
Net cash provided by (used in) investing activities	**—**	99	(40)
Net cash used in discontinued operations	**(52)**	(15)	(77)
Effect of exchange rate changes on cash and cash equivalents	**(22)**	(9)	(5)
(Decrease) increase in cash and cash equivalents	**(541)**	671	(98)
Cash and cash equivalents at beginning of period	**$ 1,069**	$ 398	$ 496
Cash and cash equivalents at end of period	**$ 528**	$1,069	$ 398
Supplemental data			
Cash paid during the year for:			
Income taxes	**$ 70**	$ 32	$ 55
Interest	**$ 71**	$ 15	$ 5

The accompanying notes are an integral part of the Consolidated Financial Statements.

NCR Corporation

Consolidated Statements of Changes in Stockholders' Equity

in millions	NCR Stockholders						
	Common Stock		Paid-in	Retained	Accumulated Other Comprehensive	Non-Redeemable Noncontrolling Interests in	
	Shares	Amount	Capital	Earnings	(Loss) Income	Subsidiaries	Total
December 31, 2010	**160**	**$ 2**	**$281**	**$ 638**	**$(38)**	**$ 33**	**$ 916**
Comprehensive income (loss):							
Net income (loss)	—	—	—	(190)	—	1	(189)
Other comprehensive income (loss)	—	—	—	—	19	2	21
Total comprehensive income (loss)	—	—	—	(190)	19	3	(168)
Employee stock purchase and stock compensation plans	1	—	53	—	—	—	53
Repurchase of Company common stock	(3)	—	(70)	—	—	—	(70)
Dividend distribution to minority shareholder	—	—	—	—	—	(1)	(1)
Sale of redeemable noncontrolling interests	—	—	23	—	—	—	23
December 31, 2011	**158**	**$ 2**	**$ 287**	**$ 448**	**$ (19)**	**$ 35**	**$ 753**
Comprehensive income (loss):							
Net income (loss)	—	—	—	481	—	—	481
Other comprehensive income (loss)	—	—	—	—	(18)	(4)	(22)
Total comprehensive income (loss)	—	—	—	481	(18)	(4)	459
Employee stock purchase and stock compensation plans	5	—	71	—	—	—	71
Dividend distribution to minority shareholder	—	—	—	—	—	(1)	(1)
December 31, 2012	**163**	**$ 2**	**$ 358**	**$ 929**	**$ (37)**	**$ 30**	**$1,282**
Comprehensive income (loss):							
Net income (loss)	—	—	—	443	—	3	446
Other comprehensive income (loss)	—	—	—	—	(1)	(5)	(6)
Total comprehensive income (loss)	—	—	—	443	(1)	(2)	440
Employee stock purchase and stock compensation plans	4	—	83	—	—	—	83
Purchase of subsidiary shares from minority shareholder	—	—	(8)	—	—	(20)	(28)
Acquisition of noncontrolling interest	—	—	—	—	—	9	9
Dividend distribution to minority shareholder	—	—	—	—	—	(3)	(3)
December 31, 2013	**167**	**$ 2**	**$ 433**	**$1,372**	**$ (38)**	**$ 14**	**$1,783**

The accompanying notes are an integral part of the Consolidated Financial Statements.

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business NCR Corporation (NCR or the Company, also referred to as "we," "us" or "our") and its subsidiaries provide innovative products and services that are designed to enable NCR's customers to connect, interact and transact with their customers and enhance their customer relationships by addressing consumer demand for convenience, value and individual service. NCR's portfolio of self-service and assisted-service solutions serve customers in the financial services, retail, hospitality, travel, and telecommunications and technology industries and include automated teller machines (ATMs) and ATM and financial services software, point of sale (POS) devices and POS software, self-service kiosks and software applications that can be used by consumers to enable them to interact with businesses from their computer or mobile device. NCR complements these product solutions by offering a complete portfolio of services to support both NCR and third party solutions. NCR also resells third-party networking products and provides related service offerings in the telecommunications and technology sector.

NCR's solutions are built on a foundation of long-established industry knowledge and consulting expertise, value-added software and hardware technology, global customer support services, and a complete line of business consumables and specialty media products.

On February 6, 2013, the Company completed the acquisition of Retalix Ltd. (Retalix). As a result of the acquisition, the results of Retalix are included for the period from February 6, 2013 to December 31, 2013. See Note 4, "Business Combinations and Divestitures," for additional information.

Use of Estimates The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (otherwise known as GAAP) requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. Actual results could differ from those estimates.

Evaluation of Subsequent Events The Company evaluated subsequent events through the date that our Consolidated Financial Statements were issued. Except as described in Note 18, "Subsequent Events," no matters were identified that required adjustment of the Consolidated Financial Statements or additional disclosure.

Out of Period Adjustments During the fourth quarter of 2013, the Company recorded a $15 million income tax benefit related to the release of a valuation allowance on specific deferred tax assets in NCR's subsidiary in Japan that should have been released in a prior period. The Company determined the impact of this error was not material to the annual or interim financial statements of previous periods and the effect of correcting this error was not material to the 2013 annual financial statements.

During the third quarter of 2012, the Company recorded a $5 million income tax benefit related to an error in the calculation of the interest portion included in income tax expense for 2011 and 2010. The Company determined the impact of this error was not material to the annual or interim financial statements of previous periods and the effect of correcting this error was not material to the 2012 annual or interim financial statements.

During the fourth quarter of 2011, the Company recorded charges of approximately $2 million in other (expense) income, net related to foreign currency fluctuations from several inter-company transactions that were incorrectly included in the cumulative translation adjustment balance. Additionally, the Company recorded an increase in selling, general and administrative expenses of approximately $4 million to correct certain tax accounts in Brazil determined to be unrecoverable. The Company determined the impact of these errors was not material to the annual or interim financial statements of previous periods and the effect of correcting these errors in 2011 was not material to the 2011 annual financial statements.

Basis of Consolidation The consolidated financial statements include the accounts of NCR and its majority-owned subsidiaries. Long-term investments in affiliated companies in which NCR owns between 20% and 50%, and therefore, exercises significant influence, but which it does not control, are accounted for using the equity method. Investments in which NCR does not exercise significant influence (generally, when NCR has an investment of less than 20% and no significant influence, such as representation on the investee's board of directors) are accounted for using the cost method. All significant inter-company transactions and accounts have been eliminated. In addition, the Company is required to determine whether it is the primary beneficiary of economic income or losses that may be generated by variable interest entities in which the Company has such an interest. In circumstances where the Company determined it is the primary beneficiary, consolidation of that entity would be required. For the periods presented, no variable interest entities have been consolidated.

Reclassifications Certain prior-period amounts have been reclassified in the accompanying Consolidated Financial Statements and Notes thereto in order to conform to the current period presentation.

Revenue Recognition The Company records revenue, net of taxes, when it is realized, or realizable, and earned. The Company considers these criteria met when persuasive evidence of an arrangement exists, the products or services have been provided to the customer, the sales price is fixed or determinable, and collectability is reasonably assured. For product sales, delivery is deemed to have occurred when the customer has assumed risk of loss of the goods sold and all performance obligations are complete. For services sales, revenue is recognized as the services are provided or ratably over the service period, or, if applicable, after customer acceptance of the services.

NCR frequently enters into multiple-element arrangements with its customers including hardware, software, professional consulting services, transaction services and maintenance support services. For arrangements involving multiple deliverables, when deliverables include software and non-software products and services, NCR evaluates and separates each deliverable to determine whether it represents a separate unit of accounting based on the following criteria: (a) whether the delivered item has value to the customer on a stand-alone basis; and (b) if the contract includes a general right of return relative to the delivered item, whether delivery or performance of the undelivered items is considered probable and substantially in the control of NCR.

For arrangements entered into or materially modified after January 1, 2011, consideration is allocated to each unit of accounting based on the units' relative selling prices. In such circumstances, the Company uses a hierarchy to determine the selling price to be used for allocating revenue to each deliverable: (i) vendor-specific objective evidence of selling price (VSOE); (ii) third-party evidence of selling price (TPE); and (iii) best estimate of selling price (BESP). VSOE generally exists only when the Company sells the deliverable separately and is the price actually charged by the Company for that deliverable. VSOE is established for our software maintenance services and we use TPE to establish selling prices for our non-software related services, which include hardware maintenance, non-software related professional services, and transaction services. The Company uses BESP to allocate revenue when we are unable to establish VSOE or TPE of selling price. BESP is primarily used for elements such as products that are not consistently priced within a narrow range. The Company determines BESP for a deliverable by considering multiple factors including product class, geography, average discount, and management's historical pricing practices. Amounts allocated to the delivered hardware and software elements are recognized at the time of sale, provided the other conditions for revenue recognition have been met. Amounts allocated to the undelivered maintenance and other services elements are recognized as the services are provided or on a straight-line basis over the service period. In certain instances, customer acceptance is required prior to the passage of title and risk of loss of the delivered products. In such cases, revenue is not recognized until the customer acceptance is obtained. Delivery and acceptance generally occur in the same reporting period.

For arrangements entered into prior to January 1, 2011, the Company has not applied BESP. In such arrangements, if the Company has the requisite evidence of selling price for the undelivered elements but not for the delivered elements, the Company applies the residual method to allocate arrangement consideration.

In situations where NCR's solutions contain software that is more than incidental, revenue related to the software and software-related elements is recognized in accordance with authoritative guidance on software revenue recognition. For the software and software-related elements of such transactions, revenue is allocated

based on the relative fair value of each element, and fair value is determined by VSOE. If the Company cannot objectively determine the fair value of any undelivered element included in such multiple-element arrangements, the Company defers revenue until all elements are delivered and services have been performed, or until fair value can objectively be determined for any remaining undelivered elements. When the fair value of a delivered element has not been established, but fair value evidence exists for the undelivered elements, the Company uses the residual method to recognize revenue. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is allocated to the delivered elements and is recognized as revenue.

For certain of NCR's long-term contracts, primarily related to the acquisition of Retalix, the Company utilizes a percentage-of-completion accounting method, which requires estimates of future revenues and costs over the full term of product and/or service delivery. Estimated losses, if any, on long-term projects are recognized as soon as such losses become known.

NCR's customers may request that delivery and passage of title and risk of loss occur on a bill and hold basis. For the years ended December 31, 2013, 2012, and 2011, the revenue recognized from bill and hold transactions approximated 1% or less of total revenue.

In addition to the standard product warranty, the Company periodically offers extended warranties to its customers in the form of product maintenance services. For contracts that are not separately priced but include product maintenance, the Company defers revenue at an amount based on the selling price, using objective and reliable evidence, and recognizes the deferred revenue over the service term. For separately priced product maintenance contracts, NCR defers the stated amount of the separately priced contract and recognizes the deferred revenue ratably over the service term.

Shipping and Handling Costs related to shipping and handling are included in cost of products in the Consolidated Statements of Operations.

Cash and Cash Equivalents All short-term, highly liquid investments having original maturities of three months or less, including time deposits, are considered to be cash equivalents.

Restricted Cash Restricted cash consists of deposits that are contractually restricted as to their withdrawal or use. Refer to Note 6, "Debt Obligations" for further discussion.

Allowance for Doubtful Accounts NCR establishes provisions for doubtful accounts using percentages of accounts receivable balances to reflect historical average credit losses and specific provisions for known issues.

Inventories Inventories are stated at the lower of cost or market, using the average cost method. Cost includes materials, labor and manufacturing overhead related to the purchase and production of inventories. Service parts are included in inventories and include reworkable and non-reworkable service parts. The Company regularly reviews inventory quantities on hand, future purchase commitments with suppliers and the estimated utility of inventory. If the review indicates a reduction in utility below carrying value, inventory is reduced to a new cost basis. Excess and obsolete reserves are established based on forecasted usage, orders, technological obsolescence and inventory aging.

Goodwill and Other Long-Lived Assets

Capitalized Software Certain direct development costs associated with internal-use software are capitalized within other assets and amortized over the estimated useful lives of the resulting software. NCR typically amortizes capitalized internal-use software on a straight-line basis over four to seven years beginning when the asset is substantially ready for use, as this is considered to approximate the usage pattern of the software.

Costs incurred for the development of software that will be sold, leased or otherwise marketed are capitalized when technological feasibility has been established. These costs are included within other assets and are amortized on a sum-of-the-years' digits or straight-line basis over the estimated useful lives ranging from three to five years, using the method that most closely approximates the sales pattern of the software.

Form 10-K

Amortization begins when the product is available for general release. Costs capitalized include direct labor and related overhead costs. Costs incurred prior to technological feasibility or after general release are expensed as incurred. The following table identifies the activity relating to total capitalized software:

In millions	2013	2012	2011
Beginning balance as of January 1	**$142**	$118	$107
Capitalization	**110**	80	62
Amortization	**(59)**	(56)	(51)
Ending balance as of December 31	**$193**	$142	$118

Goodwill and Other Intangible Assets Goodwill represents the excess of purchase price over the value assigned to the net tangible and identifiable intangible assets of businesses acquired. Goodwill is tested at the reporting unit level for impairment on an annual basis during the fourth quarter or more frequently if certain events occur indicating that the carrying value of goodwill may be impaired. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include a decline in expected cash flows, a significant adverse change in legal factors or in the business climate, a decision to sell a business, unanticipated competition, or slower growth rates, among others.

In the evaluation of goodwill for impairment, we first perform a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than the carrying amount. If so, we perform a quantitative assessment and compare the fair value of the reporting unit to the carrying value. If the carrying value of a reporting unit exceeds its fair value, the goodwill of that reporting unit is potentially impaired and we proceed to step two of the impairment analysis. In step two of the analysis, we will record an impairment loss equal to the excess of the carrying value of the reporting unit's goodwill over its implied fair value should such a circumstance arise. Fair values of the reporting units are estimated primarily using the income approach, which incorporates the use of discounted cash flow (DCF) analyses. A number of significant assumptions and estimates are involved in the application of the DCF model to forecast operating cash flows, including markets and market shares, sales volumes and prices, costs to produce, tax rates, capital spending, discount rate and working capital changes. Most of these assumptions vary among reporting units. The cash flow forecasts are generally based on approved strategic operating plans.

For the fourth quarter of 2013 and 2012, we performed our annual impairment assessment of goodwill which did not indicate that an impairment existed.

Acquired intangible assets other than goodwill are amortized over their weighted average amortization period unless they are determined to be indefinite. Acquired intangible assets are carried at cost, less accumulated amortization. For intangible assets purchased in a business combination, the estimated fair values of the assets received are used to establish the carrying value. The fair value of acquired intangible assets is determined using common techniques, and the Company employs assumptions developed using the perspective of a market participant.

Property, Plant and Equipment Property, plant and equipment, and leasehold improvements are stated at cost less accumulated depreciation. Depreciation is computed over the estimated useful lives of the related assets primarily on a straight-line basis. Machinery and other equipment are depreciated over 3 to 20 years and buildings over 25 to 45 years. Leasehold improvements are depreciated over the life of the lease or the asset, whichever is shorter. Assets classified as held for sale are not depreciated. Upon retirement or disposition of property, plant and equipment, the related cost and accumulated depreciation or amortization are removed from the Company's accounts, and a gain or loss is recorded. Depreciation expense related to property, plant and equipment was $68 million, $64 million, and $58 million for the years ended December 31, 2013, 2012, and 2011, respectively.

Valuation of Long-Lived Assets Long-lived assets such as property, plant and equipment, finite-lived intangible assets, and software are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable or in the period in which the held for sale criteria are met. For assets held and used, this analysis consists of comparing the asset's carrying value to the expected

future cash flows to be generated from the asset on an undiscounted basis. If the carrying amount of the asset is determined not to be recoverable, a write-down to fair value is recorded. Fair values are determined based on quoted market values, discounted cash flows, or external appraisals, as applicable. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified.

Warranty and Sales Returns Provisions for product warranties and sales returns and allowances are recorded in the period in which NCR becomes obligated to honor the related right, which generally is the period in which the related product revenue is recognized. The Company accrues warranty reserves based upon historical factors such as labor rates, average repair time, travel time, number of service calls per machine and cost of replacement parts. When a sale is consummated, a warranty reserve is recorded based upon the estimated cost to provide the service over the warranty period. The Company accrues sales returns and allowances using percentages of revenue to reflect the Company's historical average of sales return claims.

Research and Development Costs Research and development costs primarily include payroll and benefit-related costs, contractor fees, facilities costs, infrastructure costs, and administrative expenses directly related to research and development support and are expensed as incurred, except certain software development costs are capitalized after technological feasibility of the software is established.

Leases The Company accounts for material escalation clauses, free or reduced rents and landlord incentives contained in operating type leases on a straight-line basis over the lease term, including any reasonably assured lease renewals. For leasehold improvements that are funded by the landlord, the Company records the incentive as deferred rent. The deferred rent is then amortized as reductions to lease expense over the lease term.

For capital leases where NCR is the lessee, we record an amortizable debt and a related fixed asset in the Consolidated Balance Sheet.

Pension, Postretirement and Postemployment Benefits NCR has significant pension, postretirement and postemployment benefit costs, which are developed from actuarial valuations. Actuarial assumptions are established to anticipate future events and are used in calculating the expense and liabilities relating to these plans. These factors include assumptions the Company makes about interest rates, expected investment return on plan assets, rate of increase in healthcare costs, total and involuntary turnover rates, and rates of future compensation increases. In addition, NCR also uses subjective factors, such as withdrawal rates and mortality rates to develop the Company's valuations. NCR generally reviews and updates these assumptions on an annual basis. NCR is required to consider current market conditions, including changes in interest rates, in making these assumptions. The actuarial assumptions that NCR uses may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates, or longer or shorter life spans of participants. These differences may result in a significant impact to the amount of pension, postretirement or postemployment benefits expense, and the related assets and liabilities, the Company has recorded or may record.

Foreign Currency For many NCR international operations, the local currency is designated as the functional currency. Accordingly, assets and liabilities are translated into U.S. Dollars at year-end exchange rates, and revenues and expenses are translated at average exchange rates prevailing during the year. Currency translation adjustments from local functional currency countries resulting from fluctuations in exchange rates are recorded in other comprehensive income. Where the U.S. Dollar is the functional currency, remeasurement adjustments are recorded in other (expense) income, net.

Derivative Instruments In the normal course of business, NCR enters into various financial instruments, including derivative financial instruments. The Company accounts for derivatives as either assets or liabilities in the Consolidated Balance Sheets at fair value and recognizes the resulting gains or losses as adjustments to earnings or other comprehensive income. The Company formally documents all relationships between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. Hedging activities are transacted only with highly rated institutions, reducing exposure to credit risk in the event of nonperformance. Additionally, the Company completes assessments related to the risk of counterparty nonperformance on a regular basis.

The accounting for changes in fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship, and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, the Company has designated the hedging instrument, based on the exposure being hedged, as a fair value hedge, a cash flow hedge or a hedge of a net investment in a foreign operation. For derivative instruments designated as fair value hedges, the effective portion of the hedge is recorded as an offset to the change in the fair value of the hedged item, and the ineffective portion of the hedge, if any, is recorded in the Consolidated Statement of Operations. For derivative instruments designated as cash flow hedges and determined to be highly effective, the gains or losses are deferred in other comprehensive income and recognized in the determination of income as adjustments of carrying amounts when the underlying hedged transaction is realized, canceled or otherwise terminated. When hedging certain foreign currency transactions of a long-term investment nature (net investments in foreign operations) gains and losses are recorded in the currency translation adjustment component of accumulated other comprehensive income (loss). Gains and losses on foreign exchange contracts that are not used to hedge currency transactions of a long-term investment nature, or that are not designated as cash flow or fair value hedges, are recognized in other (expense) income, net as exchange rates change.

Fair Value of Assets and Liabilities Fair value is defined as an exit price, representing an amount that would be received to sell an asset or the amount paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance prioritizes the inputs used to measure fair value into the following three-tier fair value hierarchy:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or inputs, other than quoted prices in active markets, that are observable either directly or indirectly
- Level 3: Unobservable inputs for which there is little or no market data

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. The Company reviews the fair value hierarchy classification on a quarterly basis. Changes to the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

NCR measures its financial assets and financial liabilities at fair value based on one or more of the following three valuation techniques:

- Market approach: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach: Amount that would be required to replace the service capacity of an asset (replacement cost).
- Income approach: Techniques to convert future amounts to a single present amount based upon market expectations (including present value techniques, option pricing and excess earnings models).

We regularly review our investments to determine whether a decline in fair value, if any, below the cost basis is other than temporary. If the decline in the fair value is determined to be other than temporary, the cost basis of the security is written down to fair value and the amount of the write-down is included in the Consolidated Statement of Operations. For qualifying investments in debt or equity securities, a temporary impairment charge would be recognized in other comprehensive income (loss).

Environmental and Legal Contingencies In the normal course of business, NCR is subject to various proceedings, lawsuits, claims and other matters, including, for example, those that relate to the environment and health and safety, labor and employment, employee benefits, import/export compliance, intellectual property, data privacy and security, product liability, commercial disputes and regulatory compliance, among others. Additionally, NCR is subject to diverse and complex laws, regulations, and standards including those relating to

corporate governance, public disclosure and reporting, environmental safety and the discharge of materials into the environment, product safety, import and export compliance, data privacy and security, antitrust and competition, government contracting, anti-corruption, and labor and human resources, which are rapidly changing and subject to many possible changes in the future. Compliance with these laws and regulations, including changes in accounting standards, taxation requirements, and federal securities laws among others, may create a substantial burden on, and substantially increase the costs to NCR or could have an impact on NCR's future operating results. NCR believes that the amounts provided in its Consolidated Financial Statements are adequate in light of the probable and estimable liabilities. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various lawsuits, claims, legal proceedings and other matters, including the Fox River and Kalamazoo River environmental matters discussed in Note 10, "Commitments and Contingencies," and to comply with applicable laws and regulations, will not exceed the amounts reflected in NCR's Consolidated Financial Statements or will not have a material adverse effect on the Company's consolidated results of operations, financial condition or cash flows. Any costs that may be incurred in excess of those amounts provided as of December 31, 2013 cannot currently be reasonably determined or are not currently considered probable.

Legal fees and expenses related to loss contingencies are typically expensed as incurred, except for certain costs associated with NCR's environmental remediation obligations. Costs and fees associated with litigating the extent and type of required remedial actions and the allocation of remediation costs among potentially responsible parties are typically included in the measurement of the environmental remediation liabilities.

Advertising Advertising costs are recognized in selling, general and administrative expenses when incurred.

Income Taxes Income tax expense is provided based on income before income taxes. Deferred income taxes reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are determined based on the enacted tax rates expected to apply in the periods in which the deferred assets or liabilities are expected to be settled or realized. NCR records valuation allowances related to its deferred income tax assets when it is more likely than not that some portion or all of the deferred income tax assets will not be realized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being sustained upon examination by authorities. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law and until such time that the related tax benefits are recognized.

Redeemable Noncontrolling Interests In 2011, we sold a 49% voting equity interest in NCR Brasil—Indústria de Equipamentos para Automação S.A., a subsidiary of the Company (NCR Manaus) to Scopus Tecnologia Ltda. (Scopus) for a subscription price of approximately $43 million. In the event NCR Manaus does not meet a defined financial performance goal during the five year period ending in 2016, Scopus may elect to put its noncontrolling interest to us for its then-current fair value.

Earnings Per Share Basic earnings per share is calculated by dividing net income by the weighted average number of shares outstanding during the reported period. The calculation of diluted earnings per share is similar to basic earnings per share, except that the weighted average number of shares outstanding includes the dilution from potential shares resulting from stock options and restricted stock awards. When calculating diluted earnings per share, the Company includes the potential windfall or shortfall tax benefits as well as average unrecognized compensation expense as part of the assumed proceeds from exercises of stock options. The Company uses the tax law ordering approach to determine the potential utilization of windfall benefits. The holders of unvested restricted stock awards do not have nonforfeitable rights to dividends or dividend equivalents and therefore, such unvested awards do not qualify as participating securities. See Note 8, "Employee Stock Compensation Plans" for share information on NCR's stock compensation plans.

The components of basic and diluted earnings per share attributable to NCR common stockholders are as follows for the years ended December 31:

In millions, except per share amounts	2013	2012	2011
Income (loss) from continuing operations	**$ 452**	$ 475	$ (97)
(Loss) income from discontinued operations, net of tax	**(9)**	6	(93)
Net income (loss) attributable to NCR common stockholders	**$ 443**	$ 481	$ (190)
Weighted average outstanding shares of common stock	**165.4**	159.3	158.0
Dilutive effect of employee stock options and restricted stock	**3.9**	4.5	—
Diluted weighted average number of shares outstanding	**169.3**	163.8	158.0
Basic earnings (loss) per share:			
From continuing operations	**$ 2.73**	$ 2.98	$(0.61)
From discontinued operations	**(0.05)**	0.04	(0.59)
Total basic earnings (loss) per share	**$ 2.68**	$ 3.02	$(1.20)
Diluted earnings (loss) per share:			
From continuing operations	**$ 2.67**	$ 2.90	$(0.61)
From discontinued operations	**(0.05)**	0.04	(0.59)
Total diluted earnings (loss) per share	**$ 2.62**	$ 2.94	$(1.20)

For 2011, due to the net loss attributable to NCR common stockholders, potential common shares that would cause dilution, such as restricted stock and stock options, have been excluded from the diluted share count because their effect would have been anti-dilutive. For the year ended December 31, 2011, the fully diluted shares would have been 161.0 million shares.

For 2013, there were no anti-dilutive options. For 2012 and 2011, outstanding options to purchase approximately 1.2 million, and 3.7 million shares of common stock, respectively, were not included in the diluted share count because the options' exercise prices were greater than the average market price of the underlying common shares and, therefore, the effect would have been anti-dilutive.

Stock Compensation Stock-based compensation represents the costs related to share-based awards granted to employees and non-employee directors. For all periods presented, the Company's outstanding stock-based compensation awards are classified as equity except for certain awards granted to non-employee directors. The Company measures stock-based compensation cost at the grant date, based on the estimated fair value of the award and recognizes the cost on a straight-line basis (net of estimated forfeitures) over the requisite service period. See Note 8, "Employee Stock Compensation Plans" for further information on NCR's stock-based compensation plans.

Related Party Transactions In 2011, concurrent with the sale of a noncontrolling interest in NCR Manaus to Scopus, we entered into a Master Purchase Agreement (MPA) with Banco Bradesco SA (Bradesco), the parent of Scopus. Through the MPA, Bradesco agreed to purchase up to 30,000 ATMs from us over the 5 year term of the agreement. Pricing of the ATMs will adjust over the term of the MPA using certain formulas which are based on prevailing market pricing. We recognized $124 million, $145 million and $35 million in revenue related to Bradesco for the years ended December 31, 2013, 2012 and 2011, respectively, and we had $9 million in receivables outstanding from Bradesco as of December 31, 2013 and 2012.

Recent Accounting Pronouncements

Adopted

In February 2013, the Financial Accounting Standards Board (FASB) issued an accounting standards update requiring new disclosures about reclassifications from accumulated other comprehensive loss to net income. These disclosures may be presented on the face of the statements or in the notes to the consolidated financial

statements. The standards update is effective for fiscal years beginning after December 15, 2012. We adopted this standards update and included the additional disclosure, as required, beginning with the first quarter of 2013. See Note 15, "Accumulated Other Comprehensive Income (Loss)" for further information.

Issued

In February 2013, the FASB issued changes to the accounting for obligations resulting from joint and several liability arrangements. These changes require an entity to measure those joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date. The total amount of the obligation is determined as the sum of (i) the amount the reporting entity agreed to pay on the basis of its arrangement with its co-obligors, and (ii) any additional amount the reporting entity expects to pay on behalf of its co-obligors. The guidance also requires an entity to disclose the nature and amount of the obligation as well as other information about the obligation. Examples of obligations subject to these requirements include debt arrangements, settled litigation and judicial rulings. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, with early adoption permitted. The implementation of the amended accounting guidance on January 1, 2014 is not expected to have a material impact on our consolidated financial statements.

In March 2013, the FASB issued amendments to address the accounting for the cumulative translation adjustment when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity. The amendments are effective prospectively for fiscal years, and interim reporting periods within those years, beginning after December 15, 2013, with early adoption permitted. The initial adoption on January 1, 2014 is not expected to have a material impact on our consolidated financial statements.

2. PENSION BENEFIT PLAN ACCOUNTING METHODOLOGY CHANGES

Effective in the first quarter of 2013, we elected to change our accounting methodology for recognizing costs for all of our company-sponsored U.S. and international pension benefit plans. Previously, net actuarial gains or losses (except those differences not yet reflected in the market-related value) were only amortized to the extent that they exceeded 10% of the higher of the market-related value or the projected benefit obligation of each respective plan. Beginning in 2012, the losses associated with the U.S. qualified pension plan and our largest UK pension plan were amortized over the expected remaining lifetime of plan participants instead of the expected service period of active plan participants, because almost all of the participants were inactive. For our other U.S. and international plans, the gains or losses were amortized over the expected service period of the active plan participants. Further, the expected return on plan assets component of pension expense for our U.S. pension plan was previously determined using the expected rate of return and a calculated value of assets, referred to as the "market-related value." Differences between the assumed and actual returns were reflected in market-related value on a straight-line basis over a 5-year period. Differences in excess of 10% of the market value were recognized immediately. Similar approaches were employed in determining expense for NCR's international plans.

Under our new pension accounting methods, we will recognize changes in the fair value of plan assets and net actuarial gains or losses upon remeasurement, which is at least annually in the fourth quarter of each year. These new accounting methods will result in changes in the fair value of plan assets and net actuarial gains and losses being recognized in expense faster than under our previous amortization method. The remaining components of pension expense, primarily net service cost, interest cost, and the expected return on plan assets, will be recorded on a quarterly basis as ongoing pension expense. While our previous policy of recognizing pension expense was acceptable, we believe that these new policies are preferable as they accelerate the recognition in our operating results of changes in the fair value of plan assets and actuarial gains and losses.

These changes have been reported through retrospective application of the new policies to all periods presented. We recorded a cumulative reduction of retained earnings as of December 31, 2010 (the most recent measurement date prior to the change) of $1,297 million related to these changes in accounting methodology. The impact of all adjustments made to the financial statements presented is summarized below (amounts in millions, except per share data):

In millions, except per share amounts	2013		2012		2011	
	Previous Accounting Method	As Reported	Previously Reported	Adjusted	Previously Reported	Adjusted
Consolidated Statements of Operations:						
Cost of products	$2,164	$2,152	$2,177	$2,144	$2,011	$2,022
Cost of services	2,403	2,231	2,208	1,941	2,098	2,318
Selling, general and administrative expenses	957	871	894	742	794	890
Research and development expenses	236	203	219	155	176	209
Total operating expenses	5,760	5,457	5,498	4,982	5,079	5,439
Income (loss) from operations	363	666	232	748	212	(148)
Income (loss) from continuing operations before income taxes	251	554	182	698	196	(164)
Income tax expense (benefit)	6	98	42	223	51	(66)
Income (loss) from continuing operations	245	456	140	475	145	(98)
Net income (loss)	236	447	146	481	52	(191)
Net income (loss) attributable to NCR	$ 232	$ 443	$ 146	$ 481	$ 53	$ (190)
Amounts attributable to NCR common stockholders:						
Income (loss) from continuing operations	241	452	140	475	146	(97)
Income (loss) per share attributable to NCR common stockholders:						
Income (loss) per common share from continuing operations						
Basic	$ 1.46	$ 2.73	$ 0.88	$ 2.98	$ 0.92	$ (0.61)
Diluted	$ 1.42	$ 2.67	$ 0.85	$ 2.90	$ 0.91	$ (0.61)
Net income (loss) per common share						
Basic	$ 1.40	$ 2.68	$ 0.92	$ 3.02	$ 0.34	$ (1.20)
Diluted	$ 1.37	$ 2.62	$ 0.89	$ 2.94	$ 0.33	$ (1.20)
Consolidated Statements of Comprehensive Income:						
Net income (loss)	$ 236	$ 447	$ 146	$ 481	$ 52	$ (191)
Employee benefit plans						
Net gain (loss) arising during the year	219	82	91	—	(425)	24
Amortization of actuarial loss	174	8	255	14	212	17
Less income tax (expense) benefit	(109)	(17)	(148)	1	67	(20)
Other comprehensive (loss) income	203	(8)	241	(22)	(155)	21
Total comprehensive income (loss)	439	439	387	459	(103)	(170)
Comprehensive income (loss) attributable to NCR common stockholders	$ 442	$ 442	$ 391	$ 463	$ (104)	$ (171)

Consolidated Balance Sheets:	December 31, 2013		December 31, 2012	
	Previous Accounting Method	As Reported	Previously Reported	Adjusted
Retained earnings	2,312	1,372	2,134	929
Accumulated other comprehensive loss	(978)	(38)	(1,247)	(37)

Consolidated Statements of Cash Flows:	2013		2012		2011	
	Previous Accounting Method	As Reported	Previously Reported	Adjusted	Previously Reported	Adjusted
Net income (loss)	236	447	146	481	52	(191)
Deferred income taxes	(89)	3	(37)	144	(13)	(130)
Pension and indemnity plans	(94)	(397)	(478)	(994)	92	452

3. SUPPLEMENTAL FINANCIAL INFORMATION (in millions)

For the years ended December 31	2013	2012	2011
Other (expense) income, net			
Interest income	**$ 6**	$ 6	$ 5
Impairment of an investment (Note 12)	**—**	(7)	—
Other, net	**(15)**	(7)	(8)
Total other (expense) income, net	**$ (9)**	$ (8)	$ (3)

At December 31	2013	2012
Accounts Receivable		
Trade	**$1,318**	$1,056
Other	**39**	46
Accounts Receivable, gross	**1,357**	1,102
Less: allowance for doubtful accounts	**(18)**	(16)
Total accounts receivable, net	**$1,339**	$1,086
Inventories		
Work in process and raw materials	**$ 135**	$ 187
Finished goods	**202**	167
Service parts	**453**	443
Total inventories	**$ 790**	$ 797
Other current assets		
Current deferred tax assets	**$ 262**	$ 223
Other	**306**	231
Total other current assets	**$ 568**	$ 454
Property, plant and equipment		
Land and improvements	**$ 40**	$ 42
Buildings and improvements	**237**	231
Machinery and other equipment	**722**	636
Property, plant and equipment, gross	**999**	909
Less: accumulated depreciation	**(647)**	(601)
Total property, plant and equipment, net	**$ 352**	$ 308

4. BUSINESS COMBINATIONS AND DIVESTITURES

2013 Acquisitions

Following is a brief description of the Company's noteworthy acquisitions completed during the 2013 fiscal year:

Acquisition of Retalix Ltd. On February 6, 2013, NCR completed the acquisition of Retalix Ltd. ("Retalix"), for which it paid an aggregate cash purchase price of $791 million which includes $3 million to be recognized as compensation expense within selling, general and administrative expenses over a period of approximately three

years from the acquisition date. The purchase price was paid from the net proceeds of the December 2012 offer and sale of NCR's 4.625% senior unsecured notes and borrowings under NCR's senior secured credit facility. As a result of the acquisition, Retalix became an indirect wholly owned subsidiary of NCR. Retalix is a leading global provider of innovative retail software. The acquisition is consistent with NCR's continued transformation to a hardware-enabled, software-driven business. Retalix's strength with blue-chip retailers is highly complementary and provides additional sales opportunities across the combined installed base.

Recording of Assets Acquired and Liabilities Assumed

The fair value of consideration transferred to acquire Retalix was allocated to the identifiable assets acquired and liabilities assumed based upon their estimated fair market values as of the date of the acquisition as set forth below. This allocation is final as of December 31, 2013.

The allocation of the purchase price for Retalix is as follows:

In millions	Fair Value
Cash and cash equivalents	$ 127
Accounts receivable	107
Other tangible assets	56
Acquired goodwill	461
Acquired intangible assets other than goodwill	205
Deferred tax liabilities	(52)
Liabilities assumed	(116)
Total purchase consideration	$ 788

Goodwill represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The goodwill arising from the acquisition consists of the margin and cost synergies expected from combining the operations of NCR and Retalix. It is expected that approximately $35 million of the goodwill recognized in connection with the acquisition will be deductible for tax purposes. The goodwill arising from the acquisition has been allocated to the Retail Solutions segment. Refer to Note 5, "Goodwill and Other Long-Lived Assets" for the carrying amounts of goodwill by segment as of December 31, 2013.

The intangible assets acquired in the acquisition include the following:

	Estimated Fair Value	Weighted Average Amortization Period[1]
	(In millions)	(years)
Direct customer relationships	$121	20
Technology—Software	74	5
Trademarks	10	6
Total acquired intangible assets	$205	14

(1) Determination of the weighted average amortization period of the individual categories of intangible assets was based on the nature of the applicable intangible asset and the expected future cash flows to be derived from the intangible asset. Amortization of intangible assets with definite lives is recognized over the period of time the assets are expected to contribute to future cash flows.

The Company incurred a total of $9 million of transaction expenses to date relating to the acquisition, of which $6 million and $3 million are included in selling, general and administrative expenses in the Company's Consolidated Statement of Operations for the years ended December 31, 2013 and 2012, respectively. See Note 13, "Segment Information and Concentrations" for additional information regarding revenues and operating income related to Retalix for the year ended December 31, 2013.

Unaudited Pro forma Information

The following unaudited pro forma information presents the consolidated results of NCR and Retalix for the years ended December 31, 2013 and 2012. The unaudited pro forma information is presented for illustrative purposes only. It is not necessarily indicative of the results of operations of future periods, or the results of operations that actually would have been realized had the entities been a single company during the periods presented or the results that the combined company will experience after the acquisition. The unaudited pro forma information does not give effect to the potential impact of current financial conditions, regulatory matters or any anticipated synergies, operating efficiencies or cost savings that may be associated with the acquisition. The unaudited pro forma information also does not include any integration costs or remaining future transaction costs that the companies may incur related to the acquisition as part of combining the operations of the companies.

The unaudited pro forma consolidated results of operations, assuming the acquisition had occurred on January 1, 2012, are as follows:

	For the year ended December 31	
In millions	**2013**	**2012**
Revenue	$6,156	$5,992
Net income attributable to NCR	$ 447	$ 443

The unaudited pro forma results for the year ended December 31, 2013 include:

- $13 million in additional revenue associated with deferred revenue acquired, assuming the deferred revenue was acquired on January 1, 2012,
- $2 million, net of tax, in additional amortization expense for acquired intangible assets and
- $5 million, net of tax, in eliminated transaction costs as if those costs had been recognized in the prior-year period.

The unaudited pro forma results for the year ended December 31, 2012 include:

- $16 million in reduced revenue associated with deferred revenue acquired,
- $15 million, net of tax, in additional amortization expense for acquired intangible assets,
- $20 million, net of tax, in interest expense from the 4.625% senior unsecured notes and senior secured credit facility, and
- $5 million, net of tax, in transaction costs.

Acquisition of Alaric Systems Limited On December 2, 2013, the Company acquired all of the outstanding share capital of Alaric Systems Limited ("Alaric Systems") in exchange for approximately $84 million, plus related acquisition costs. Alaric Systems is a provider of secure transaction switching and fraud prevention software. Goodwill recognized related to this acquisition was $55 million, of which it is expected that zero will be deductible for tax purposes. The goodwill and their results from the date of acquisition has been reported within our Financial Services segment. As a result of the Alaric Systems acquisition, NCR recorded $37 million related to identifiable intangible assets consisting primarily of proprietary technology and customer relationships, which have a weighted-average amortization period of 8 years. Supplemental pro forma information and actual revenue and earnings since the acquisition date have not been provided as this acquisition did not have a material impact on the Company's Consolidated Statements of Operations.

Other Acquisitions During the year ended December 31, 2013, the Company completed five additional acquisitions for aggregate purchase consideration of approximately $38 million, plus related acquisition costs. Approximately $6 million was withheld by the Company as a source of recovery for possible claims under the related acquisition agreements and will be paid to the respective sellers pursuant to the terms of such agreements. Goodwill recognized related to these acquisitions was $23 million, of which it is expected that $19 million will

be deductible for tax purposes. The goodwill arising from these acquisitions has been allocated to the Hospitality segment. As a result of these five additional acquisitions, NCR recorded $14 million related to identifiable intangible assets consisting primarily of customer relationships, which have a weighted-average amortization period of 3 years. Supplemental pro forma information and actual revenue and earnings since the acquisition dates have not been provided as these acquisitions did not have a material impact, individually or in the aggregate, on the Company's Consolidated Statements of Operations.

2012 Acquisitions

Following is a brief description of the Company's noteworthy acquisitions completed during the 2012 fiscal year:

Acquisition of POS and RDS On February 7, 2012, the Company acquired all of the outstanding capital stock of POS Integrated Solutions Do Brasil Comercio E Servicos De Informatica S.A. ("POS") and RDS South America Comercio E Servicos De Informatica S.A. ("RDS") for aggregate purchase consideration of approximately $1 million, plus related acquisition costs. POS and RDS were resellers of certain of the Company's hardware and software, and their results have been reported within our Hospitality segment since the date of the acquisitions.

Acquisition of Wyse Sistemas de Informatica Ltda. On May 31, 2012, the Company acquired all of the outstanding units of membership interest of Wyse Sistemas de Informatica Ltda. ("Wyse") for aggregate purchase consideration of approximately $13 million, plus related acquisition costs. Wyse was a developer and provider of point of sale software specifically designed for the hospitality market in Brazil, and their results have been reported within our Hospitality segment since the date of the acquisition.

Hospitality Reseller Acquisitions During 2012, the Company acquired the assets of six of its domestic Hospitality resellers in separate transactions for aggregate purchase consideration of approximately $28 million, plus related acquisition costs.

Acquisition of Transoft, Inc. On September 7, 2012, the Company acquired substantially all of the assets of Transoft, Inc. for aggregate purchase consideration of approximately $40 million, plus related acquisition costs, of which the Company will recognize $7 million as compensation expense included within selling, general and administrative expenses over a period of two years from the acquisition date. Transoft, Inc. was a global leader in cash management software for financial institutions, and their results have been reported within our Financial Services segment since the date of the acquisition.

Acquisition of uGenius Technology, Inc. On, December 31, 2012, the Company acquired substantially all of the assets of uGenius Technology, Inc. (uGenius) for aggregate purchase consideration of approximately $37 million, including the settlement of NCR's pre-existing 8.7% equity investment in uGenius Technology, LLC, plus related acquisition costs. uGenius was a provider of video banking solutions, and their results have been reported within our Financial Services segment since the date of the acquisition.

Approximately $11 million of the aggregate purchase consideration was withheld by the Company as a source of recovery for possible claims under the acquisition agreements for the 2012 acquisitions noted above, and will be paid to the respective sellers pursuant to the terms of such agreements. As a result of the above noted 2012 acquisitions, NCR recorded $34 million related to identifiable intangible assets consisting primarily of proprietary technology and customer relationships, which have a weighted-average amortization period of 7 years.

The operating results of the businesses acquired in 2012 have been included within NCR's results as of the closing date of each acquisition. Supplemental pro forma information and actual revenue and earnings since the acquisition dates have not been provided as these acquisitions did not have a material impact, individually or in the aggregate, on the Company's Consolidated Statements of Operations. The purchase price of these businesses, reported in business acquisitions, net of cash acquired within investing activities in the Consolidated Statements of Cash Flows, has been allocated based on the estimated fair value of net tangible and intangible assets acquired, with any excess recorded as goodwill. Goodwill recognized in the Company's 2012 acquisitions was $85 million, of which it is expected that $55 million of the goodwill will be deductible for tax purposes.

2011 Acquisitions

Following is a brief description of the Company's noteworthy acquisitions completed during the 2011 fiscal year:

Acquisition of Radiant Systems, Inc. On August 24, 2011, NCR completed the acquisition of Radiant Systems, Inc. (Radiant). The acquisition was completed through a tender offer and subsequent merger, with Radiant becoming a wholly-owned subsidiary of NCR. The total equity purchase price was approximately $1.2 billion.

Radiant was a leading provider of technology solutions for managing site operations in the hospitality and specialty retail industries, and is operated within NCR as a part of NCR's Hospitality line of business.

Recording of Assets Acquired and Liabilities Assumed

The fair value of consideration transferred to acquire Radiant was allocated to the identifiable assets acquired and liabilities assumed based upon their fair values as of the date of the acquisition as set forth below. This allocation is final as of December 31, 2011.

In millions Purchase Consideration	Net Tangible Assets Acquired/(Liabilities Assumed)	Purchased Intangible Assets	Goodwill
$1,206	$78	$319	$809

The goodwill arising from the acquisition consists of the revenue and cost synergies expected from combining the operations of NCR and Radiant. It is expected that approximately $73 million of the goodwill recognized in connection with the acquisition will be deductible for tax purposes. The goodwill arising from the acquisition has been allocated as follows: approximately $624 million to the Hospitality segment; $86 million to the Financial Services segment; and $99 million to the Retail Solutions segment.

See Note 5, "Goodwill and Other Long-Lived Assets" for additional information related to the carrying amounts of goodwill by segment.

The intangible assets acquired include the following:

	Estimated Fair Value	Weighted Average Amortization Period (1)
	(In millions)	(years)
Reseller Network	88	13
Technology—Software and Hardware	106	6
Trademarks	48	9
Direct customer relationships	74	15
Noncompete agreements	2	2
Internally developed software	1	2
Total acquired intangible assets	$319	

(1) Determination of the weighted average amortization period of the individual categories of intangible assets was based on the nature of the applicable intangible asset and the expected future cash flows to be derived from the intangible asset. Amortization of intangible assets with definite lives is recognized over the period of time the assets are expected to contribute to future cash flows.

The Company incurred a total of $30 million of transaction expenses relating to the acquisition, which are included in selling, general and administrative expenses in the results of operations for the year ended December 31, 2011. See Note 13, "Segment Information and Concentrations" for additional information regarding revenues and operating income related to Radiant for the year ended December 31, 2011.

Form 10-K

Unaudited Pro forma Information

The following unaudited pro forma information presents the consolidated results of NCR and Radiant for the year ended December 31, 2011. The unaudited pro forma information is presented for illustrative purposes only. It is not necessarily indicative of the results of operations of future periods, or the results of operations that actually would have been realized had the entities been a single company during the periods presented or the results that the combined company will experience after the acquisition. The unaudited pro forma information does not give effect to the potential impact of current financial conditions, regulatory matters or any anticipated synergies, operating efficiencies or cost savings that may be associated with the acquisition. The unaudited pro forma information also does not include any integration costs or remaining future transaction costs that the companies may incur related to the acquisition as part of combining the operations of the companies.

The unaudited pro forma consolidated results of operations, assuming the acquisition had occurred on January 1, 2010, are as follows:

In millions	Year ended December 31, 2011
Revenue	$5,538
Net income attributable to NCR	$ (179)

The unaudited pro forma results for the year ended December 31, 2011 include:

- $25 million, net of tax, in additional amortization expense for acquired intangible assets,
- $37 million, net of tax, in eliminated transaction costs as if those costs had been recognized in the prior-year period,
- $10 million, net of tax, in additional interest expense from the senior secured credit facility, and
- $7 million, net of tax, in eliminated accelerated vesting of stock options and restricted stock unit compensation expense directly attributable to the acquisition.

Divestitures

On February 3, 2012, NCR entered into an Asset Purchase Agreement (the "Agreement") with Redbox Automated Retail, LLC ("Purchaser") pursuant to which NCR agreed to sell certain assets of its Entertainment business (the "Entertainment Business"), including, but not limited to, substantially all of NCR's DVD kiosks, certain retailer contracts, select DVD inventory and certain intellectual property to Purchaser (the "Transaction"). Pursuant to the terms of the Agreement, as amended on June 22, 2012, and upon the terms and conditions thereof, on June 22, 2012, NCR completed the disposition of the assets of its Entertainment Business to Purchaser for cash consideration of $100 million. As of the date of the sale, total assets sold of $67 million included $51 million of property, plant and equipment, $15 million of inventory, and $1 million of intangible assets.

NCR agreed to provide Purchaser with certain short-term support services following the closing under a transition services agreement. The Agreement also contemplates that, for a period of five years following the closing, Purchaser and its affiliates may procure certain hardware, software and services from NCR under a manufacturing and services agreement. If, at the end of such five-year period, Purchaser and its affiliates have not procured hardware, software and services that have yielded $25 million in margin to NCR, Purchaser will pay the difference to NCR.

We determined that the cash inflows under the transition services agreement and the manufacturing and services agreement will not constitute significant continuing involvement with the operations of the Entertainment Business after the sale. In addition, the ongoing cash inflows related to the Entertainment Business under the manufacturing and services agreement are substantially unrelated to the business sold. Therefore, we have reclassified the operating results of the Entertainment Business, for all historical periods, to income (loss) from discontinued operations, net of tax in the accompanying Consolidated Statements of Operations. During the year

ended December 31, 2011, we determined that disposal of the Entertainment business was probable, and we assessed the assets of the business for impairment, which resulted in charges which reduced the carrying values of goodwill, long-lived assets and certain inventories by an aggregate amount of $88 million.

The following table includes the results of the Entertainment Business, which we historically included in our Entertainment segment:

	For the year ended December 31	
In millions	2012	2011
Revenue	$ 62	$ 152
Operating expenses	101	299
Loss from operations	(39)	(147)
Gain from divestiture of the business	33	—
Loss before income taxes	(6)	(147)
Income tax benefit	(2)	(51)
Loss from discontinued operations, net of tax	$ (4)	$ (96)

5. GOODWILL AND OTHER LONG-LIVED ASSETS

Goodwill

The carrying amounts of goodwill by segment as of December 31, 2013 and 2012 are included in the table below. Foreign currency fluctuations are included within other adjustments.

	January 1, 2013						December 31, 2013		
In millions	Goodwill	Accumulated Impairment Losses	Total	Additions	Impairment	Other	Goodwill	Accumulated Impairment Losses	Total
Financial Services	$ 202	$—	$ 202	$ 55	$—	$ (2)	$ 255	$—	$ 255
Retail Solutions	120	(3)	117	461	—	—	581	(3)	578
Hospitality	659	—	659	23	—	(6)	676	—	676
Entertainment	5	(5)	—	—	—	—	5	(5)	—
Emerging Industries	25	—	25	—	—	—	25	—	25
Total	$1,011	$ (8)	$1,003	$539	$—	$ (8)	$1,542	$ (8)	$1,534

	January 1, 2012						December 31, 2012		
In millions	Goodwill	Accumulated Impairment Losses	Total	Additions	Impairment	Other	Goodwill	Accumulated Impairment Losses	Total
Financial Services	$ 152	$—	$ 152	$ 50	$—	$—	$ 202	$—	$ 202
Retail Solutions	120	(3)	117	—	—	—	120	(3)	117
Hospitality	619	—	619	35	—	5	659	—	659
Entertainment	5	(5)	—	—	—	—	5	(5)	—
Emerging Industries	25	—	25	—	—	—	25	—	25
Total	$ 921	$ (8)	$ 913	$ 85	$—	$ 5	$1,011	$ (8)	$1,003

Long-Lived Assets

NCR's identifiable intangible assets, reported in other assets in the Consolidated Balance Sheets, were specifically identified when acquired, and are deemed to have finite lives. The gross carrying amount and accumulated amortization for NCR's identifiable intangible assets were as follows. The increase in the gross carrying amount is primarily due to the acquisitions detailed in Note 4, "Business Combinations and Divestitures."

		December 31, 2013		December 31, 2012	
In millions	Amortization Period (in Years)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Identifiable intangible assets					
Reseller & customer relationships	1 - 20	**$328**	**$ (37)**	$179	$ (17)
Intellectual property	2 - 7	**275**	**(118)**	180	(80)
Tradenames	2 - 10	**61**	**(15)**	49	(8)
Non-compete arrangements	2 - 5	**8**	**(8)**	8	(7)
Total identifiable intangible assets		**$672**	**$(178)**	$416	$(112)

The aggregate amortization expense (actual and estimated) for identifiable intangible assets for the following periods is:

	December 31,	For the years ended December 31 (estimated)				
In millions	2013	2014	2015	2016	2017	2018
Amortization expense	**$ 66**	$ 73	$ 73	$ 67	$ 58	$ 41

6. DEBT OBLIGATIONS

Short-Term Borrowings

The following table summarizes the Company's short-term borrowings:

	December 31, 2013		December 31, 2012	
In millions, except percentages	Amount	Weighted-Average Interest Rate	Amount	Weighted-Average Interest Rate
Current portion of Senior Secured Credit Facility [1]	**$ 28**	**2.55%**	$70	3.06%
Other [2]	**6**	**7.11%**	2	3.22%
Total short-term borrowings	**$ 34**		$72	

Long-Term Debt

The following table summarizes the Company's long-term debt:

In millions, except percentages	December 31, 2013 Amount	December 31, 2013 Weighted-Average Interest Rate	December 31, 2012 Amount	December 31, 2012 Weighted-Average Interest Rate
Senior Secured Credit Facility:				
Term loan facility due 2018 (1)	**$1,087**	**2.55%**	$ 780	3.06%
Revolving credit facility due 2018	**—**		—	
Senior notes:				
5.00% Senior Notes due 2022	**600**		600	
4.625% Senior Notes due 2021	**500**		500	
5.875% Senior Notes due 2021	**400**		—	
6.375% Senior Notes due 2023	**700**		—	
Other (2)	**33**	**7.21%**	11	6.13%
Total long-term debt	**$3,320**		$1,891	

(1) Interest rates are weighted average interest rates as of December 31, 2013 and 2012 related to the Senior Secured Credit Facility, which incorporates the impact of the interest rate swap. Refer to Note 11, "Derivatives and Hedging Instruments," for additional details.

(2) Interest rates are weighted average interest rates as of December 31, 2013 and 2012 primarily related to various international credit facilities and a note payable in the U.S.

Senior Secured Credit Facility In August 2011, the Company entered into a senior secured credit facility with JPMorgan Chase Bank, NA (JPMCB), as administrative agent, and a syndicate of lenders. On July 25, 2013, the Company amended and restated the senior secured credit facility, and refinanced its term loan facility and revolving credit facility thereunder. On December 4, 2013, in connection with the then pending acquisition of Digital Insight, the senior secured credit facility was further amended (as amended, the Senior Secured Credit Facility). As of December 31, 2013, the Senior Secured Credit Facility consisted of a term loan facility in an aggregate principal amount of $1.12 billion, and a revolving credit facility in an aggregate principal amount of $850 million. The revolving credit facility also allows a portion of the availability to be used for outstanding letters of credit, and as of December 31, 2013, outstanding letters of credit totaled approximately $22 million.

On December 4, 2013, in connection with the amendment of the Senior Secured Credit Facility, the Company entered into an Incremental Facility Agreement with and among the lenders party thereto and JPMCB, as administrative agent. The Incremental Facility Agreement created an additional $250 million of term loan commitments, which were drawn, along with $300 million from the revolving credit facility, on January 10, 2014 in connection with the completion of the acquisition of Digital Insight. Refer to Note 18, "Subsequent Events" for further details.

The outstanding principal balance of the term loan facility is required to be repaid in equal quarterly installments in annual amounts. As of December 31, 2013, the repayment schedule required quarterly installments of approximately $14 million beginning September 30, 2014, approximately $21 million beginning September 30, 2015, and approximately $28 million beginning September 30, 2016, with the balance being due at maturity on July 25, 2018. Borrowings under the revolving portion of the credit facility are due July 25, 2018. Amounts outstanding under the Senior Secured Credit Facility bear interest, at the Company's option, at a base rate equal to the highest of (i) the federal funds rate plus 0.50%, (ii) the administrative agent's "prime rate" and (iii) the one-month LIBOR rate plus 1.00% (the Base Rate) or LIBOR, plus a margin ranging from 0.25% to 1.25% for Base Rate-based loans that are either term loans or revolving loans and ranging from 1.25% to 2.25% for LIBOR-based loans that are either term loans or revolving loans, depending on the Company's consolidated leverage ratio. The terms of the Senior Secured Credit Facility also require certain other fees and payments to be made by the Company, including a commitment fee on the undrawn portion of the revolving credit facility.

The Company's obligations under the Senior Secured Credit Facility are guaranteed by certain of its wholly-owned domestic subsidiaries. The Senior Secured Credit Facility and these guarantees are secured by a first priority lien and security interest in certain equity interests owned by the Company and the guarantor subsidiaries in certain of their respective domestic and foreign subsidiaries, and a perfected first priority lien and security interest in substantially all of the Company's U.S. assets and the assets of the guarantor subsidiaries, subject to certain exclusions. These security interests would be released if the Company achieves an "investment grade" rating, and will remain released so long as the Company maintains that rating.

The Senior Secured Credit Facility includes affirmative and negative covenants that restrict or limit the ability of the Company and its subsidiaries to, among other things, incur indebtedness; create liens on assets; engage in certain fundamental corporate changes or changes to the Company's business activities; make investments; sell or otherwise dispose of assets; engage in sale-leaseback or hedging transactions; repurchase stock, pay dividends or make similar distributions; repay other indebtedness; engage in certain affiliate transactions; or enter into agreements that restrict the Company's ability to create liens, pay dividends or make loan repayments. The Senior Secured Credit Facility also includes financial covenants that require us to maintain:

- a consolidated leverage ratio on the last day of any fiscal quarter, not to exceed (i) in the case of any fiscal quarter ending on or prior to June 30, 2014, 4.85 to 1.00, (ii) in the case of any fiscal quarter ending after June 30, 2014 and on or prior to December 31, 2014, (a) the sum of (x) 4.50 and (y) an amount (not to exceed 0.25) to reflect new debt used to reduce NCR's underfunded pension liabilities, to (b) 1.00, (iii) in the case of any fiscal quarter ending after December 31, 2014 and on or prior to December 31, 2016, (a) the sum of (x) 4.25 and (y) an amount (not to exceed 0.50) to reflect new debt used to reduce NCR's underfunded pension liabilities, to (b) 1.00, (iv) in the case of any fiscal quarter ending after December 31, 2016 and on or prior to December 31, 2017, 4.00 to 1.00, and (v) in the case of any fiscal quarter ending after December 31, 2017, 3.75 to 1.00; and
- an interest coverage ratio on the last day of any fiscal quarter to be less than (i) in the case of any fiscal quarter ending on or prior to December 31, 2014, 3.00 to 1.00, and (ii) in the case of any fiscal quarter ending after December 31, 2014, 3.50 to 1.00.

The Senior Secured Credit Facility also contains events of default, which are customary for similar financings. Upon the occurrence of an event of default, the lenders may, among other things, terminate the loan commitments, accelerate all loans and require cash collateral deposits in respect of outstanding letters of credit.

The Company may request, at any time and from time to time, but the lenders are not obligated to fund, the establishment of one or more incremental term loans and/or revolving credit facilities (subject to the agreement of existing lenders or additional financial institutions to provide such term loan and/or revolving credit facilities) with commitments in an aggregate amount not to exceed the greater of (i) $150 million, and (ii) such amount as would not (a) prior to the date that the Company obtains an investment grade rating cause the leverage ratio under the Senior Secured Credit Facility, calculated on a pro forma basis including the incremental facility and assuming that it and the revolver are fully drawn, to exceed 2.50 to 1.00, and (b) on and after the date that the Company obtains an investment grade rating cause the leverage ratio under the Senior Secured Credit Facility, calculated on a pro forma basis including the incremental facility and assuming that it and the revolver are fully drawn, to exceed a ratio that is 0.50 less than the leverage ratio then applicable under the financial covenants of the Senior Secured Credit Facility, the proceeds of which can be used for working capital requirements and other general corporate purposes.

Senior Unsecured Notes On September 17, 2012, the Company issued $600 million aggregate principal amount of 5.00% senior unsecured notes due in 2022 (the 5.00% Notes) and on December 18, 2012, the Company issued $500 million aggregate principal amount of 4.625% senior unsecured notes due in 2021 (the 4.625% Notes). On December 19, 2013, the Company, through its newly formed wholly owned subsidiary, NCR Escrow Corp., issued $400 million aggregate principal amount of 5.875% senior unsecured notes due in 2021 (the 5.875% Notes) and $700 million aggregate principal amount of 6.375% senior unsecured notes due in 2023 (the 6.375% Notes). The aggregate principal amount from the 5.875% and 6.375% Notes was initially deposited into a segregated escrow account of NCR Escrow Corp., and was held in that escrow account at December 31, 2013

to be used solely for the pending acquisition of Digital Insight Corporation. The aggregate principal amount plus accrued interest funded to the escrow account have therefore been classified as restricted cash in the Consolidated Balance Sheet as of December 31, 2013. Refer to Note 18, "Subsequent Events" for additional details.

The senior unsecured notes are guaranteed, fully and unconditionally, on an unsecured senior basis, by our subsidiary, NCR International, Inc. Effective, December 31, 2013, Radiant Systems, Inc., formerly a guarantor subsidiary of certain of the senior unsecured notes and, in such capacity, a party to the registration rights agreements described below, was merged with and into the Company with the Company continuing as the surviving corporation.

The Company has the option to redeem the 5.00% Notes, in whole or in part, at any time on or after July 15, 2017, at a redemption price of 102.5%, 101.667%, 100.833% and 100% during the 12-month periods commencing on July 15, 2017, 2018, 2019 and 2020 and thereafter, respectively, plus accrued and unpaid interest to the redemption date. Prior to July 15, 2017, the Company may redeem the 5.00% Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium and accrued and unpaid interest to the redemption date. Prior to July 15, 2015, the Company may redeem the 5.00% Notes in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the notes originally issued at a redemption price of 105% plus accrued and unpaid interest to the redemption date, with the net cash proceeds from one or more qualified equity offerings under certain further requirements.

The Company has the option to redeem the 4.625% Notes, in whole or in part, at any time on or after February 15, 2017, at a redemption price of 102.313%, 101.156% and 100% during the 12-month periods commencing on February15, 2017, 2018 and 2019 and thereafter, respectively, plus accrued and unpaid interest to the redemption date. Prior to February 15, 2017, the Company may redeem the 4.625% Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium and accrued and unpaid interest to the redemption date. Prior to February 15, 2016, the Company may redeem the 4.625% Notes in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the notes originally issued at a redemption price of 104.625% plus accrued and unpaid interest to the redemption date, with the net cash proceeds from one or more qualified equity offerings under certain further requirements.

The Company has the option to redeem the 5.875% Notes, in whole or in part, at any time on or after December 15, 2017, at a redemption price of 102.938%, 101.469% and 100% during the 12-month periods commencing on December15, 2017, 2018 and 2019 and thereafter, respectively, plus accrued and unpaid interest to the redemption date. Prior to December 15, 2017, the Company may redeem the 5.875% Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium and accrued and unpaid interest to the redemption date. Prior to December 15, 2016, the Company may redeem the 5.875% Notes in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the notes originally issued at a redemption price of 105.875% plus accrued and unpaid interest to the redemption date, with the net cash proceeds from one or more qualified equity offerings under certain further requirements.

The Company has the option to redeem the 6.375% Notes, in whole or in part, at any time on or after December 15, 2018, at a redemption price of 103.188%, 102.125%, 101.063% and 100% during the 12-month periods commencing on December15, 2018, 2019, 2020 and 2021 and thereafter, respectively, plus accrued and unpaid interest to the redemption date. Prior to December 15, 2018, the Company may redeem the 6.375% Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium and accrued and unpaid interest to the redemption date. Prior to December 15, 2016, the Company may redeem the 6.375% Notes in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the notes originally issued at a redemption price of 106.375% plus accrued and unpaid interest to the redemption date, with the net cash proceeds from one or more qualified equity offerings under certain further requirements.

The terms of the indentures for these senior unsecured notes limit the ability of the Company and certain of its subsidiaries to, among other things, incur additional debt or issue redeemable preferred stock; pay dividends or make certain other restricted payments or investments; incur liens; sell assets; incur restrictions on the ability of the Company's subsidiaries to pay dividends to the Company; enter into affiliate transactions; engage in sale and leaseback transactions; and consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's assets. These covenants are subject to significant exceptions and qualifications.

For example, if the senior unsecured notes are assigned an investment grade rating by Moody's or S&P and no default has occurred or is continuing, certain covenants will be terminated.

In connection with the issuances of the 5.875% and 6.375% Notes, the Company entered into registration rights agreements with J.P. Morgan Securities LLC as representative of the initial purchasers of the applicable notes, and NCR International, Inc. and Radiant Systems, Inc. in their capacities as future subsidiary guarantors. Each registration rights agreement requires the Company and the subsidiary guarantors, at their cost, to among other things:

- use their commercially reasonable efforts to file a registration statement on an appropriate registration form with respect to a registered offer to exchange the notes for new notes that are guaranteed by the guarantors with terms substantially identical in all material respects to the notes (except that the exchange notes will not contain terms with respect to transfer restrictions or any increase in annual interest rate);
- use their commercially reasonable efforts to cause the registration statement to become effective under the Securities Act of 1933, as amended; and
- promptly after the applicable registration statement is effective, commence an exchange offer.

In addition, under certain circumstances, the Company and the subsidiary guarantors may be required to file shelf registration statements to cover sales of the notes by their holders.

If the Company and the subsidiary guarantors do not comply with their registration statement and exchange offer obligations under a registration rights agreement, then additional interest shall accrue on the principal amount of the notes that are registrable securities (as defined in each registration rights agreement) at a rate of 0.25% per annum for the first 90-day period beginning on the day immediately following such registration default (which rate will be increased by an additional 0.25% per annum for each subsequent 90-day period that such additional interest continues to accrue, provided that the rate at which such additional interest accrues may in no event exceed 1.00% per annum).

Debt Maturities Maturities of long-term debt outstanding, in principal amounts, at December 31, 2013 are summarized below:

		For the years ended December 31					
In millions	**Total**	**2014**	**2015**	**2016**	**2017**	**2018**	**Thereafter**
Debt maturities	**$3,354**	$34	$76	$104	$118	$814	$2,208

Fair Value of Debt

The fair value of debt is based on a discounted cash flow model that incorporates a market yield curve based on the Company's credit rating with adjustments for duration. As of December 31, 2013 and 2012, the fair value of debt was $3.33 billion and $1.97 billion, respectively, and has been measured using significant other observable inputs (Level 2).

7. INCOME TAXES

For the years ended December 31, income (loss) from continuing operations before income taxes consisted of the following:

In millions	**2013**	**2012**	**2011**
Income (loss) before income taxes			
United States	**$ 29**	$280	$(418)
Foreign	**525**	418	254
Total income (loss) from continuing operations before income taxes	**$554**	$698	$(164)

For the years ended December 31, income tax expense (benefit) consisted of the following:

In millions	2013	2012	2011
Income tax expense (benefit)			
Current			
Federal	**$(13)**	$ 6	$ 2
State	**3**	—	1
Foreign	**105**	73	61
Deferred			
Federal	**19**	155	(128)
State	**(4)**	1	(3)
Foreign	**(12)**	(12)	1
Total income tax expense (benefit)	**$ 98**	$223	$ (66)

The following table presents the principal components of the difference between the effective tax rate and the U.S. federal statutory income tax rate for the years ended December 31:

In millions	2013	2012	2011
Income tax expense (benefit) at the U.S. federal tax rate of 35%	**$194**	$245	$(58)
Foreign income tax differential	**(86)**	(50)	(8)
U.S. permanent book/tax differences	**3**	(3)	3
Tax audit settlements	**—**	(12)	(12)
Change in liability for unrecognized tax benefits	**29**	12	2
Nondeductible transaction costs	**1**	1	4
U.S. valuation allowance	**—**	17	5
Valuation allowance releases	**(25)**	—	—
Tax extenders legislation	**(16)**	14	—
Other, net	**(2)**	(1)	(2)
Total income tax expense (benefit)	**$ 98**	$223	$(66)

NCR's tax provisions include a provision for income taxes in certain tax jurisdictions where its subsidiaries are profitable, but reflect only a portion of the tax benefits related to certain foreign subsidiaries' tax losses due to the uncertainty of the ultimate realization of future benefits from these losses. During 2013, we recorded a one-time benefit of approximately $16 million in connection with the American Taxpayer Relief Act of 2012 that was signed into law in January 2013 and the related retroactive tax relief for certain law provisions that expired in 2012. The 2013 tax provision was also favorably impacted by the release of a $10 million valuation allowance due to the implementation of a tax planning strategy to access certain deferred tax assets, a $15 million reduction in a valuation allowance related to a subsidiary in Japan, and a favorable mix of earnings by country, primarily related to lower pension benefit. During 2012, we favorably settled examinations with Canada for the 2003 tax year and Japan for tax years 2001 through 2006 that resulted in tax benefits of $14 million and $13 million, respectively. In addition, the 2012 tax provision was favorably impacted by the mix of earnings by country. These benefits were partially offset by an increase of $17 million to the U.S. valuation allowance. During 2011, we favorably settled examinations with Canada for 1997 through 2001 that resulted in a $12 million tax benefit.

Deferred income tax assets and liabilities included in the Consolidated Balance Sheets as of December 31 were as follows:

In millions	2013	2012
Deferred income tax assets		
Employee pensions and other benefits	**$ 119**	$ 322
Other balance sheet reserves and allowances	**170**	140
Tax loss and credit carryforwards	**719**	628
Capitalized research and development	**101**	86
Property, plant and equipment	**7**	8
Other	**52**	54
Total deferred income tax assets	**1,168**	1,238
Valuation allowance	**(364)**	(399)
Net deferred income tax assets	**804**	839
Deferred income tax liabilities		
Intangibles	**125**	83
Capitalized software	**20**	16
Other	**7**	11
Total deferred income tax liabilities	**152**	110
Total net deferred income tax assets	**$ 652**	$ 729

NCR recorded valuation allowances related to certain deferred income tax assets due to the uncertainty of the ultimate realization of the future benefits from those assets. The valuation allowances cover deferred tax assets, primarily tax loss carryforwards, in tax jurisdictions where there is uncertainty as to the ultimate realization of a benefit from those tax losses. At December 31, 2013, our net deferred tax assets in the United States totaled approximately $555 million. For the three year period ended December 31, 2013, we had a cumulative net loss from continuing operations before income taxes, which is generally considered a negative indicator about our ability to realize the benefits of those assets. We further evaluated the realizability of the U.S. deferred tax assets by weighing other positive and negative evidence, including our history of taxable income in the U.S., and the substantial length of time over which our deferred tax assets relating to net operating losses and employee pensions may be realized. Through this assessment, realization of the related benefits was determined to be more likely than not. If we are unable to generate sufficient future taxable income in the time period within which the temporary differences underlying our deferred tax assets become deductible, or before the expiration of our loss and credit carryforwards, additional valuation allowance could be required.

As of December 31, 2013, NCR had U.S. federal and foreign tax attribute carryforwards of approximately $1.8 billion. The net operating loss carryforwards, subject to expiration, expire in the years 2014 through 2033. The amount of tax deductions in excess of previously recorded windfall tax benefits associated with stock-based compensation included in U.S. federal net operating loss carryforwards but not reflected in deferred tax assets for the year ended December 31, 2013 was $69 million. Upon realization of the U.S. federal net operating losses, the Company will recognize a windfall tax benefit as an increase to additional paid-in capital. In addition, the Company had U.S. tax credit carryforwards of $117 million. Approximately $22 million of the credit carryforwards do not expire, and $95 million expires in the years 2014 through 2033.

The aggregate changes in the balance of our gross unrecognized tax benefits were as follows for the years ended December 31:

In millions	2013	2012	2011
Gross unrecognized tax benefits—January 1	**$256**	$273	$303
Increases related to tax positions from prior years	**33**	24	24
Decreases related to tax positions from prior years	**(33)**	(16)	(31)
Increases related to tax provisions taken during the current year	**40**	30	23
Settlements with tax authorities	**(2)**	(35)	(33)
Lapses of statutes of limitation	**(17)**	(20)	(13)
Total gross unrecognized tax benefits—December 31	**$277**	$256	$273

Of the total amount of gross unrecognized tax benefits as of December 31, 2013, $155 million would affect NCR's effective tax rate if realized. The Company's liability arising from uncertain tax positions is recorded in income tax accruals and other current liabilities in the Consolidated Balance Sheets.

We recognized interest and penalties associated with uncertain tax positions as part of the provision for income taxes in our Consolidated Statements of Operations of $8 million of expense, $4 million of expense, and $11 million of benefit for the years ended December 31, 2013, 2012, and 2011, respectively. The gross amount of interest and penalties accrued as of December 31, 2013 and 2012 was $56 million and $51 million, respectively.

In the U.S., NCR files consolidated federal and state income tax returns where statutes of limitations generally range from three to five years. U.S. federal tax years remain open to examination from 2009 forward. In 2011, the IRS commenced an examination of our 2009 and 2010 income tax returns, which is ongoing. Years beginning after 2000 are still open to examination by certain foreign taxing authorities, including several major taxing jurisdictions. We are open to examination from 2001 onward in Korea and India and from 2002 onward in Canada.

During 2014, the Company expects to resolve certain tax matters related to U.S. and foreign jurisdictions. As of December 31, 2013, we estimate that it is reasonably possible that unrecognized tax benefits may decrease by $20 million to $25 million in the next 12 months due to the resolution of these issues.

NCR did not provide for U.S. federal income taxes or foreign withholding taxes in 2013 on approximately $1.9 billion of undistributed earnings of its foreign subsidiaries as such earnings are intended to be reinvested indefinitely. Due to the complexities in the tax laws, the assumptions that we would have to make and the availability and calculation of associated foreign tax credits, it is not practicable to determine the amount of the related unrecognized deferred income tax liability associated with these undistributed earnings.

See the Consolidated Statements of Comprehensive Income for details of the tax effects on the components of other comprehensive income.

8. EMPLOYEE STOCK COMPENSATION PLANS

The Company recognizes all share-based payments, including grants of stock options, as compensation expense in its financial statements based on their fair value.

As of December 31, 2013, the Company's primary types of stock-based compensation were restricted stock and stock options. The Company recorded stock-based compensation expense, the components of which are further described below, for the years ended December 31 as follows:

In millions	2013	2012	2011
Restricted stock	**$ 39**	$ 46	$ 27
Stock options	**2**	3	6
Total stock-based compensation (pre-tax)	**41**	49	33
Tax benefit	**(13)**	(14)	(10)
Total stock-based compensation (net of tax)	**$ 28**	$ 35	$ 23

Stock-based compensation expense for the years ended December 31, 2013, 2012 and 2011 was computed using the fair value of options as calculated using the Black-Scholes option-pricing model. During the year ended December 31, 2013, the Company did not grant any stock options. The weighted average fair value of options granted was estimated based on the below weighted average assumptions and was $8.24 per share in 2012 and $7.38 per share in 2011.

	2012	2011
Dividend yield	—	—
Risk-free interest rate	0.78%	2.04%
Expected volatility	40.1%	40.4%
Expected holding period (years)	5.0	5.1

Expected volatility incorporates a blend of both historical volatility of the Company's stock over a period equal to the expected term of the options and implied volatility from traded options on the Company's stock, as management believes this is more representative of prospective trends. The Company uses historical data to estimate option exercise and employee terminations within the valuation model. The expected holding period represents the period of time that options are expected to be outstanding. The risk-free interest rate for periods within the contractual life of the option is based on the 5-year U.S. Treasury yield curve in effect at the time of grant.

Approximately 19 million shares are authorized to be issued under the 2013 Stock Incentive Plan (formerly the 2011 Amended and Restated Stock Incentive Plan) (SIP). Details of the Company's stock-based compensation plans are discussed below.

Restricted Stock and Restricted Stock Units

The SIP provides for the issuance of restricted stock, as well as restricted stock units. These types of awards can have either service-based or performance-based vesting with performance goals being established by the Compensation and Human Resource Committee. Any grant of restricted stock or restricted stock units is subject to a vesting period of at least three years, except that a one-year term of service may be required if vesting is conditioned upon achievement of performance goals. Performance-based grants are subject to future performance measurements, which include NCR's achievement of specific return on capital and other financial metrics (as defined in the SIP) during the performance period. Performance-based grants must be earned, based on performance, before the actual number of shares to be awarded is known. The Company considers the likelihood of meeting the performance criteria based upon management's estimates and analysis of achievement against the performance criteria. At the date of grant, a recipient of restricted stock has all the rights of a stockholder subject to certain restrictions on transferability and a risk of forfeiture. A recipient of restricted stock units does not have the rights of a stockholder and is subject to restrictions on transferability and risk of forfeiture. Other terms and conditions applicable to any award of restricted stock or restricted stock units will be determined by the Compensation and Human Resource Committee and set forth in the agreement relating to that award.

The following table reports restricted stock activity during the year ended December 31, 2013:

Shares in thousands	Number of Shares	Weighted Average Grant-Date Fair Value per Share
Unvested shares as of January 1	4,720	$19.02
Shares granted	2,286	$25.64
Shares vested	(1,156)	$15.56
Shares forfeited	(541)	$21.75
Unvested shares as of December 31	5,309	$22.30

The total fair value of shares vested and distributed was $33 million in 2013, $68 million in 2012, and $1 million in 2011. As of December 31, 2013, there was $54 million of unrecognized compensation cost related to unvested restricted stock grants. The unrecognized compensation cost is expected to be recognized over a remaining weighted-average period of 1.4 years. The weighted average grant date fair value for restricted stock awards granted in 2012 and 2011 was $19.59 and $18.84, respectively.

The following table represents the composition of restricted stock grants in 2013:

Shares in thousands	Number of Shares	Weighted Average Grant-Date Fair Value
Service-based shares	944	$27.72
Performance-based shares	1,342	$24.18
Total restricted stock grants	2,286	$25.64

The 2013 performance-based share grant activity above includes 0.9 million shares related to the 2013 to 2014 performance period. The remaining performance-based share grant activity in 2013 relates to the achievement of performance goals in 2013 associated with performance-based shares granted in a prior period.

Stock Options

The SIP also provides for the grant of several different forms of stock-based compensation, including stock options to purchase shares of NCR common stock. The Compensation and Human Resource Committee of the Board of Directors has discretion to determine the material terms and conditions of option awards under the SIP, provided that (i) the exercise price must be no less than the fair market value of NCR common stock (defined as the closing price) on the date of grant, (ii) the term must be no longer than ten years, and (iii) in no event shall the normal vesting schedule provide for vesting in less than one year. Other terms and conditions of an award of stock options will be determined by the Compensation and Human Resource Committee of the Board of Directors as set forth in the agreement relating to that award. The Compensation and Human Resource Committee has authority to administer the SIP, except that the Committee on Directors and Governance will administer the SIP with respect to non-employee members of the Board of Directors. New shares of the Company's common stock are issued as a result of stock option exercises.

The following table summarizes the Company's stock option activity for the year ended December 31, 2013:

Shares in thousands	Shares Under Option	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding as of January 1	4,858	$17.49		
Granted	—	$ —		
Exercised	(2,870)	$17.66		
Forfeited or expired	(50)	$13.86		
Outstanding as of December 31	1,938	$17.32	4.02	$32
Fully vested and expected to vest as of December 31	1,918	$17.36	4.14	$32
Exercisable as of December 31	1,708	$17.84	3.71	$27

The total intrinsic value of all options exercised was $37 million in 2013, $31 million in 2012, and $8 million in 2011. Cash received from option exercises under all share-based payment arrangements was $51 million in 2013, $47 million in 2012, and $13 million in 2011. The tax benefit realized from these exercises was $12 million in 2013, $10 million in 2012, and $3 million in 2011.

Other Share-based Plans

The Employee Stock Purchase Plan (ESPP) enables eligible employees to purchase NCR's common stock at a discount to the average of the highest and lowest sale prices on the last trading day of each month. The ESPP discount is 5% of the average market price. Accordingly, this plan is considered non-compensatory. Employees may authorize payroll deductions of up to 10% of eligible compensation for common stock purchases. Employees purchased approximately 0.2 million shares in 2013, 0.3 million shares in 2012, and 0.3 million shares in 2011 for approximately $6 million in 2013, $6 million in 2012, and $5 million in 2011. A total of 4 million shares were originally authorized to be issued under the new ESPP and approximately 1.7 million authorized shares remain unissued as of December 31, 2013.

9. EMPLOYEE BENEFIT PLANS

Pension, Postretirement and Postemployment Plans NCR sponsors defined benefit plans for many of its U.S. and international employees. For salaried employees, the defined benefit plans are based primarily upon compensation and years of service. For certain hourly employees in the U.S., the benefits are based on a fixed dollar amount per years of service. NCR's U.S. pension plans ceased the accrual of additional benefits after December 31, 2006 and are closed to new participants. Certain international plans are also closed to new participants. NCR's funding policy is to contribute annually not less than the minimum required by applicable laws and regulations. Assets of NCR's defined benefit plans are primarily invested in corporate and government debt securities, insurance products, common and commingled trusts, publicly traded common stocks, real estate investments, and cash or cash equivalents.

NCR recognizes the funded status of each applicable plan on the Consolidated Balance Sheets. Each overfunded plan is recognized as an asset and each underfunded plan is recognized as a liability. For pension plans, changes in the fair value of plan assets and net actuarial gains or losses are recognized upon remeasurement, which is at least annually in the fourth quarter of each year. For postretirement and postemployment plans, changes to the funded status are recognized as a component of other comprehensive loss in stockholders' equity.

Prior to September 1998, substantially all U.S. employees who reached retirement age while working for NCR were eligible to participate in a postretirement benefit plan. The plan provides medical care and life insurance benefits to retirees and their eligible dependents. In September 1998, the plan was amended whereby

U.S. participants who had not reached a certain age and years of service with NCR were no longer eligible for such benefits. Non-U.S. employees are typically covered under government-sponsored programs, and NCR generally does not provide postretirement benefits other than pensions to non-U.S. retirees. NCR generally funds these benefits on a pay-as-you-go basis.

NCR offers various postemployment benefits to involuntarily terminated and certain inactive employees after employment but before retirement. These benefits are paid in accordance with NCR's established postemployment benefit practices and policies. Postemployment benefits include mainly severance as well as disability benefits, supplemental unemployment benefits, workers' compensation benefits, and continuation of healthcare benefits and life insurance coverage. NCR provides appropriate accruals for these postemployment benefits. These postemployment benefits are funded on a pay-as-you-go basis.

Amounts to be Recognized

The amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost (income) during 2014 are as follows:

In millions	U.S. Pension Benefits	International Pension Benefits	Total Pension Benefits	Postretirement Benefits	Postemployment Benefits
Prior service cost (income)	$—	$ 2	$ 2	$(18)	$ (4)
Actuarial loss	$—	$—	$—	$ 2	$—

Pension Plans

Reconciliation of the beginning and ending balances of the benefit obligations for NCR's pension plans are as follows:

	U.S. Pension Benefits		International Pension Benefits		Total Pension Benefits	
In millions	2013	2012	2013	2012	2013	2012
Change in benefit obligation						
Benefit obligation as of January 1	**$3,462**	$4,084	**$2,249**	$2,073	**$5,711**	$6,157
Net service cost	**—**	—	**14**	14	**14**	14
Interest cost	**124**	159	**79**	83	**203**	242
Amendment	**—**	—	**4**	9	**4**	9
Actuarial (gain) loss	**(271)**	(94)	**(45)**	112	**(316)**	18
Benefits paid	**(410)**	(687)	**(113)**	(111)	**(523)**	(798)
Plan participant contributions	**—**	—	**3**	3	**3**	3
Settlement	**—**	—	**—**	(2)	**—**	(2)
Special termination benefit cost	**26**	—	**—**	—	**26**	—
Acquired pension obligation	**—**	—	**4**	—	**4**	—
Currency translation adjustments	**—**	—	**19**	68	**19**	68
Benefit obligation as of December 31	**$2,931**	$3,462	**$2,214**	$2,249	**$5,145**	$5,711
Accumulated benefit obligation as of December 31	**$2,931**	$3,462	**$2,180**	$2,166	**$5,111**	$5,628

A reconciliation of the beginning and ending balances of the fair value of the plan assets of NCR's pension plans are as follows:

In millions	U.S. Pension Benefits 2013	U.S. Pension Benefits 2012	International Pension Benefits 2013	International Pension Benefits 2012	Total Pension Benefits 2013	Total Pension Benefits 2012
Change in plan assets						
Fair value of plan assets as of January 1	**$3,022**	$2,733	**$2,228**	$1,981	**$5,250**	$4,714
Actual return on plan assets	**(116)**	325	**129**	181	**13**	506
Company contributions	**187**	651	**96**	101	**283**	752
Benefits paid	**(410)**	(687)	**(113)**	(111)	**(523)**	(798)
Settlement	**—**	—	**—**	(2)	**—**	(2)
Currency translation adjustments	**—**	—	**30**	75	**30**	75
Plan participant contributions	**—**	—	**3**	3	**3**	3
Fair value of plan assets as of December 31	**$2,683**	$3,022	**$2,373**	$2,228	**$5,056**	$5,250

The following table presents the funded status and the reconciliation of the funded status to amounts recognized in the Consolidated Balance Sheets and in accumulated other comprehensive loss as of December 31:

In millions	U.S. Pension Benefits 2013	U.S. Pension Benefits 2012	International Pension Benefits 2013	International Pension Benefits 2012	Total Pension Benefits 2013	Total Pension Benefits 2012
Funded Status	**$(248)**	$(440)	**$ 159**	$ (21)	**$ (89)**	$(461)
Amounts recognized in the Consolidated Balance Sheets						
Noncurrent assets	**$ —**	$ —	**$ 478**	$ 368	**$ 478**	$ 368
Current liabilities	**(17)**	(9)	**(18)**	(15)	**(35)**	(24)
Noncurrent liabilities	**(231)**	(431)	**(301)**	(374)	**(532)**	(805)
Net amounts recognized	**$(248)**	$(440)	**$ 159**	$ (21)	**$ (89)**	$(461)
Amounts recognized in accumulated other comprehensive loss						
Prior service cost	**—**	—	**2**	5	**2**	5
Total	**$ —**	$ —	**$ 2**	$ 5	**$ 2**	$ 5

For pension plans with accumulated benefit obligations in excess of plan assets, the projected benefit obligation, accumulated benefit obligation and fair value of assets were $3,319 million, $3,311 million, and $2,582 million, respectively, as of December 31, 2013, and $4,271 million, $4,243 million and $3,457 million, respectively, as of December 31, 2012.

The net periodic benefit (income) cost of the pension plans for the years ended December 31 was as follows:

In millions	U.S. Pension Benefits 2013	U.S. Pension Benefits 2012	U.S. Pension Benefits 2011	International Pension Benefits 2013	International Pension Benefits 2012	International Pension Benefits 2011	Total Pension Benefits 2013	Total Pension Benefits 2012	Total Pension Benefits 2011
Net service cost	**$ —**	$ —	$ —	**$ 14**	$ 14	$ 15	**$ 14**	$ 14	$ 15
Interest cost	**124**	159	182	**79**	83	90	**203**	242	272
Expected return on plan assets	**(109)**	(127)	(175)	**(99)**	(98)	(106)	**(208)**	(225)	(281)
Amortization of prior service cost	**—**	—	—	**6**	7	6	**6**	7	6
Special termination benefit cost	**26**	—	—	—	—	—	**26**	—	—
Actuarial (gain) loss	**(43)**	(293)	450	**(76)**	31	120	**(119)**	(262)	570
Net periodic benefit (income) cost	**$ (2)**	$(261)	$ 457	**$ (76)**	$ 37	$ 125	**$ (78)**	$(224)	$ 582

During 2013, a select group of U.S. employees were offered the option to participate in a voluntary early retirement opportunity, which included incremental benefits for each employee who elected to participate, resulting in recognition of special termination benefit costs totaling $26 million. Additionally, during the year ended December 31, 2013, an actuarial gain of $15 million was recognized associated with the termination of NCR's U.S. non-qualified pension plans.

In the third quarter of 2012, the Company offered a voluntary lump sum payment option to certain former employees who were deferred vested participants of the Company's U.S. pension plan who had not yet started monthly payments of their pension benefit. The voluntary lump sum payment offer was completed during the fourth quarter of 2012, which resulted in an actuarial gain from the remeasurement of the plan.

The weighted average rates and assumptions used to determine benefit obligations as of December 31 were as follows:

	U.S. Pension Benefits		International Pension Benefits		Total Pension Benefits	
	2013	2012	2013	2012	2013	2012
Discount rate	**4.6%**	3.8%	**3.8%**	3.7%	**4.3%**	3.7%
Rate of compensation increase	**N/A**	N/A	**2.7%**	2.5%	**2.7%**	2.5%

The weighted average rates and assumptions used to determine net periodic benefit cost for the years ended December 31 were as follows:

	U.S. Pension Benefits			International Pension Benefits			Total Pension Benefits		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Discount rate	**3.8%**	4.0%	5.3%	**3.7%**	4.1%	4.6%	**3.7%**	4.0%	5.0%
Expected return on plan assets	**3.8%**	4.8%	6.8%	**4.6%**	4.8%	5.5%	**4.1%**	4.8%	6.3%
Rate of compensation increase	**N/A**	N/A	N/A	**2.5%**	3.0%	3.5%	**2.5%**	3.0%	3.5%

The discount rate used to determine December 31, 2013 U.S. benefit obligations was derived by matching the plans' expected future cash flows to the corresponding yields from the Aon Hewitt AA Bond Universe Curve. This yield curve has been constructed to represent the available yields on high-quality, fixed-income investments across a broad range of future maturities. International discount rates were determined by examining interest rate levels and trends within each country, particularly yields on high-quality, long-term corporate bonds, relative to our future expected cash flows.

NCR employs a building block approach as its primary approach in determining the long-term expected rate of return assumptions for plan assets. Historical market returns are studied and long-term relationships between equities and fixed income are preserved consistent with the widely accepted capital market principle that assets with higher volatilities generate higher returns over the long run. Current market factors, such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The expected long-term portfolio return is established for each plan via a building block approach with proper rebalancing consideration. The result is then adjusted to reflect additional expected return from active management net of plan expenses. Historical plan returns, the expectations of other capital market participants, and peer data are all used to review and assess the results for reasonableness and appropriateness.

Plan Assets The weighted average asset allocations as of December 31, 2013 and 2012 by asset category are as follows:

	U.S. Pension Fund			International Pension Fund		
	Actual Allocation of Plan Assets as of December 31		Target Asset Allocation	Actual Allocation of Plan Assets as of December 31		Target Asset Allocation
	2013	2012		2013	2012	
Equity securities	— %	— %	0-2%	11%	24%	6-14%
Debt securities	97%	97%	96-100%	76%	65%	71-82%
Real estate	1%	1%	0-2%	6%	6%	3-7%
Other	2%	2%	0-2%	7%	5%	4-11%
Total	100%	100%		100%	100%	

The fair value of plan assets as of December 31, 2013 and 2012 by asset category is as follows:

		U.S.				International			
In millions	Notes	Fair Value as of December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets									
Equity securities:									
Common stock	1	$ —	$—	$ —	$—	$ 65	$ 65	$ —	$—
Fixed income securities:									
Government securities	2	260	—	260	—	209	—	205	4
Corporate debt	3	1,091	—	1,091	—	110	—	110	—
Other types of investments:									
Money market funds	4	24	—	24	—	57	—	57	—
Common and commingled trusts—Equities	4	—	—	—	—	155	—	155	—
Common and commingled trusts—Bonds	4	1,035	—	1,035	—	153	—	153	—
Common and commingled trusts—Short Term Investments	4	44	—	44	—	—	—	—	—
Common and commingled trusts—Balanced	4	—	—	—	—	158	—	158	—
Partnership/joint venture interests—Real estate	5	35	—	—	35	—	—	—	—
Partnership/joint venture interests—Other	5	48	—	—	48	49	—	—	49
Mutual funds	4	146	146	—	—	—	—	—	—
Insurance products	4	—	—	—	—	1,283	—	1,283	—
Real estate and other	5	—	—	—	—	134	—	—	134
Total		$2,683	$146	$2,454	$ 83	$2,373	$ 65	$2,121	$187

In millions	Notes	U.S. Fair Value as of December 31, 2012	U.S. Quoted Prices in Active Markets for Identical Assets (Level 1)	U.S. Significant Other Observable Inputs (Level 2)	U.S. Significant Unobservable Inputs (Level 3)	International Fair Value as of December 31, 2012	International Quoted Prices in Active Markets for Identical Assets (Level 1)	International Significant Other Observable Inputs (Level 2)	International Significant Unobservable Inputs (Level 3)
Assets									
Equity securities:									
Common stock	1	$ 2	$ 1	$ —	$ 1	$ 170	$170	$ —	$—
Fixed income securities:									
Government securities	2	228	—	228	—	114	—	114	—
Corporate debt	3	1,221	—	1,221	—	199	—	199	—
Other types of investments:									
Money market funds	4	33	—	33	—	46	—	46	—
Common and commingled trusts—Equities	4	—	—	—	—	246	105	141	—
Common and commingled trusts—Bonds	4	1,191	—	1,191	—	907	—	907	—
Common and commingled trusts—Short Term Investments	4	49	—	49	—	—	—	—	—
Common and commingled trusts—Balanced	4	1	—	1	—	36	—	36	—
Partnership/joint venture interests—Real estate	5	40	—	—	40	—	—	—	—
Partnership/joint venture interests—Other	5	22	—	—	22	62	—	—	62
Mutual funds	4	206	206	—	—	261	261	—	—
Insurance products	4	28	—	28	—	56	—	56	—
Real estate and other	5	1	—	1	—	131	—	—	131
Total		$3,022	$207	$2,752	$ 63	$2,228	$536	$1,499	$193

Notes:

1. Common stocks are valued based on quoted market prices at the closing price as reported on the active market on which the individual securities are traded.
2. Government securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar securities, the security is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields on similar instruments but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.
3. Corporate debt is valued primarily based on observable market quotations for similar bonds at the closing price reported on the active market on which the individual securities are traded. When such quoted prices are not available, the bonds are valued using a discounted cash flows approach using current yields on similar instruments of issuers with similar credit ratings.

4 Common/collective trusts and registered investment companies (RICs) such as mutual funds are valued using a Net Asset Value (NAV) provided by the manager of each fund. The NAV is based on the underlying net assets owned by the fund, divided by the number of shares or units outstanding. The fair value of the underlying securities within the fund, which are generally traded on an active market, are valued at the closing price reported on the active market on which those individual securities are traded. For investments not traded on an active market, or for which a quoted price is not publicly available, a variety of unobservable valuation methodologies, including discounted cash flow, market multiple and cost valuation approaches, are employed by the fund manager or independent third party to value investments.

5. Partnership/joint ventures and hedge funds are valued based on the fair value of the underlying securities within the fund, which include investments both traded on an active market and not traded on an active market. For those investments that are traded on an active market, the values are based on the closing price reported on the active market on which those individual securities are traded and in the case of hedge funds they are valued using a Net Asset Value (NAV) provided by the manager of each fund. For investments not

traded on an active market, or for which a quoted price is not publicly available, a variety of unobservable valuation methodologies, including discounted cash flow, market multiples and cost valuation approaches, are employed by the fund manager to value investments.

The following table presents the reconciliation of the beginning and ending balances of those plan assets classified within Level 3 of the valuation hierarchy. When the determination is made to classify the plan assets within Level 3, the determination is based upon the significance of the unobservable inputs to the overall fair value measurement.

In millions	U.S. Pension Plans	International Pension Plans
Balance, December 31, 2011	$ 96	$187
Realized and unrealized gains and losses, net	4	17
Purchases, sales and settlements, net	(37)	(11)
Transfers, net	—	—
Balance, December 31, 2012	$ 63	$193
Realized and unrealized gains and losses, net	8	19
Purchases, sales and settlements, net	(16)	(29)
Transfers, net	28	4
Balance, December 31, 2013	$ 83	$187

Investment Strategy NCR has historically employed a total return investment approach, whereby a mix of fixed-income, equities and real estate investments are used to maximize the long-term return of plan assets subject to a prudent level of risk. The risk tolerance is established for each plan through a careful consideration of plan liabilities, plan funded status and corporate financial condition. During the first quarter of 2010, the Company completed a comprehensive analysis of its capital allocation strategy, with specific focus on its approach to pension management. As a result of this analysis, the Company implemented a plan to reduce future volatility in the value of assets held by the U.S. pension plan by rebalancing the asset allocation to a portfolio of entirely fixed income assets by the end of 2012. At the end of 2012, the Company had reallocated approximately 100% of pension assets to fixed income assets compared to 80% at the end of 2011. Similar investment strategy changes are under consideration or being implemented in a number of NCR's international plans.

The investment portfolios contain primarily fixed-income investments,which are diversified across U.S. and non-U.S. issuers, type of fixed-income security (i.e., government bonds, corporate bonds, mortgage-backed securities) and credit quality. The investment portfolios also contain a blend of equity investments, which are diversified across U.S. and non-U.S. stocks, small and large capitalization stocks, and growth and value stocks, primarily of non-U.S. issuers. Where applicable, real estate investments are made through real estate securities, partnership interests or direct investment and are diversified by property type and location. Other assets, such as cash or private equity are used judiciously to improve portfolio diversification and enhance risk-adjusted portfolio returns. Derivatives may be used to adjust market exposures in an efficient and timely manner. Due to the timing of security purchases and sales, cash held by fund managers is classified in the same asset category as the related investment. Rebalancing algorithms are applied to keep the asset mix of the plans from deviating excessively from their targets. Investment risk is measured and monitored on an ongoing basis through regular performance reporting, investment manager reviews, actuarial liability measurements and periodic investment strategy reviews.

From time to time, the Company may invest in insurance contracts, known as buy-in contracts, as a step towards transferring the plan's liabilities to a third party. In November 2013, the trustees of the NCR Pension Plan (UK) entered into an agreement with Pension Insurance Corporation (PIC) to purchase, as a plan asset, an insurance policy with PIC to facilitate the wind-up and buy-out of the pension plan. NCR Limited, a UK subsidiary of the Company, is the principal employer of the pension plan which has approximately 5,400 participants and approximately $750 million in pension plan obligations.

Postretirement Plans

Reconciliation of the beginning and ending balances of the benefit obligation for NCR's U.S. postretirement plan is as follows:

In millions	Postretirement Benefits 2013	2012
Change in benefit obligation		
Benefit obligation as of January 1	**$ 35**	$ 44
Gross service cost	**—**	—
Interest cost	**1**	1
Amendment	**—**	(4)
Actuarial (gain) loss	**(5)**	(1)
Plan participant contributions	**2**	3
Benefits paid	**(6)**	(8)
Benefit obligation as of December 31	**$ 27**	$ 35

The following table presents the funded status and the reconciliation of the funded status to amounts recognized in the Consolidated Balance Sheets and in accumulated other comprehensive loss as of December 31:

In millions	Postretirement Benefits 2013	2012
Benefit obligation	**$(27)**	$(35)
Amounts recognized in the Consolidated Balance Sheets		
Current liabilities	**$ (4)**	$ (5)
Noncurrent liabilities	**(23)**	(30)
Net amounts recognized	**$(27)**	$(35)
Amounts recognized in accumulated other comprehensive loss		
Net actuarial loss	**$ 20**	$ 29
Prior service benefit	**(69)**	(88)
Total	**$(49)**	$(59)

The net periodic benefit (income) cost of the postretirement plan for the years ended December 31 was:

In millions	Postretirement Benefits 2013	2012	2011
Interest cost	**$ 1**	$ 1	$ 2
Net service cost	**—**	—	—
Amortization of:			
Prior service benefit	**(18)**	(18)	(18)
Actuarial loss	**2**	3	3
Net periodic benefit (income) cost	**$(15)**	$(14)	$(13)

The assumptions utilized in accounting for postretirement benefit obligations as of December 31 and for postretirement benefit income for the years ended December 31 were:

	Postretirement Benefit Obligations 2013	2012	Postretirement Benefit Costs 2013	2012	2011
Discount rate	**3.4%**	2.6%	**2.6%**	3.3%	4.3%

Assumed healthcare cost trend rates as of December 31 were:

	2013		2012	
	Pre-65 Coverage	Post-65 Coverage	Pre-65 Coverage	Post-65 Coverage
Healthcare cost trend rate assumed for next year	**7.0%**	**6.0%**	**8.0%**	**6.5%**
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	**5.0%**	**5.0%**	5.0%	5.0%
Year that the rate reaches the ultimate rate	**2024**	**2024**	2018	2018

In addition, a one percentage point change in assumed healthcare cost trend rates would have had an immaterial impact on the postretirement benefit income and obligation.

Postemployment Benefits

Reconciliation of the beginning and ending balances of the benefit obligation for NCR's postemployment plan was:

In millions	Postemployment Benefits 2013	2012
Change in benefit obligation		
Benefit obligation as of January 1	**$ 258**	$264
Restructuring program cost	**—**	(1)
Service cost	**24**	24
Interest cost	**6**	9
Amendments	**1**	(3)
Benefits paid	**(35)**	(37)
Curtailment	**(51)**	—
Foreign currency exchange	**(6)**	1
Actuarial (gain) loss	**(21)**	1
Benefit obligation as of December 31	**$ 176**	$258

The following tables present the funded status and the reconciliation of the unfunded status to amounts recognized in the Consolidated Balance Sheets and in accumulated other comprehensive loss at December 31:

In millions	Postemployment Benefits 2013	2012
Benefit obligation	**$(176)**	$(258)
Amounts recognized in the Consolidated Balance Sheets		
Current liabilities	**$ (30)**	$ (42)
Noncurrent liabilities	**(146)**	(216)
Net amounts recognized	**$(176)**	$(258)
Amounts recognized in accumulated other comprehensive loss		
Net actuarial loss	**$ 5**	$ 87
Prior service benefit	**(18)**	(36)
Total	**$ (13)**	$ 51

The net periodic benefit cost of the postemployment plan for the years ended December 31 was:

In millions	Postemployment Benefits		
	2013	2012	2011
Service cost	$ 24	$ 24	$ 25
Interest cost	6	9	10
Amortization of:			
Prior service benefit	(4)	(6)	(9)
Actuarial loss	5	11	14
Curtailment gain	(13)	—	—
Net benefit cost	$ 18	$ 38	$ 40
Restructuring severance cost	—	(1)	6
Net periodic benefit cost	$ 18	$ 37	$ 46

During the first quarter of 2013, NCR amended its U.S. separation plan to eliminate the accumulation of postemployment benefits, resulting in a curtailment benefit of $13 million.

During 2011, NCR recorded approximately $6 million of severance costs related to the acquisition of Radiant. Additionally, during 2011, NCR announced a change in the long term disability benefits provided to former employees, effective July 1, 2011. This action reduced the actuarial liability associated with this benefit by approximately $6 million in 2011.

The weighted average assumptions utilized in accounting for postemployment benefit obligations as of December 31 and for postemployment benefit costs for the years ended December 31 were:

	Postemployment Benefit Obligations		Postemployment Benefit Costs		
	2013	2012	2013	2012	2011
Discount rate	3.2%	2.9%	2.9%	3.5%	3.9%
Salary increase rate	2.8%	2.6%	2.6%	3.2%	3.4%
Involuntary turnover rate	4.8%	5.5%	5.5%	5.5%	5.5%

Cash Flows Related to Employee Benefit Plans

Cash Contributions NCR does not plan to contribute to the U.S. qualified pension plan in 2014, and plans to contribute approximately $70 million to the international pension plans and a one-time contribution of $18 million to the executive pension plan to settle the remaining obligation related to the plan termination in 2014. The Company also plans to make contributions of $4 million to the U.S. postretirement plan and $30 million to the postemployment plan in 2014.

Estimated Future Benefit Payments NCR expects to make the following benefit payments reflecting past and future service from its pension, postretirement and postemployment plans:

In millions	U.S. Pension Benefits	International Pension Benefits	Total Pension Benefits	Postretirement Benefits	Postemployment Benefits
Year					
2014	$233	$106	$ 339	$4	$30
2015	$212	$102	$ 314	$4	$27
2016	$209	$106	$ 315	$3	$25
2017	$207	$104	$ 311	$3	$24
2018	$206	$104	$ 310	$2	$22
2019—2023	$997	$534	$1,531	$7	$91

Savings Plans U.S. employees and many international employees participate in defined contribution savings plans. These plans generally provide either a specified percent of pay or a matching contribution on participating employees' voluntary elections. NCR's matching contributions typically are subject to a maximum percentage or level of compensation. Employee contributions can be made pre-tax, after-tax or a combination thereof. The expense under the U.S. plan was approximately $12 million in 2013, $10 million in 2012, and $8 million in 2011. The expense under international and subsidiary savings plans was $22 million in 2013, $17 million in 2012, and $16 million in 2011.

10. COMMITMENTS AND CONTINGENCIES

In the normal course of business, NCR is subject to various proceedings, lawsuits, claims and other matters, including, for example, those that relate to the environment and health and safety, labor and employment, employee benefits, import/export compliance, intellectual property, data privacy and security, product liability, commercial disputes and regulatory compliance, among others. Additionally, NCR is subject to diverse and complex laws and regulations, including those relating to corporate governance, public disclosure and reporting, environmental safety and the discharge of materials into the environment, product safety, import and export compliance, data privacy and security, antitrust and competition, government contracting, anti-corruption, and labor and human resources, which are rapidly changing and subject to many possible changes in the future. Compliance with these laws and regulations, including changes in accounting standards, taxation requirements, and federal securities laws among others, may create a substantial burden on, and substantially increase costs to NCR or could have an impact on NCR's future operating results. NCR believes the amounts provided in its Consolidated Financial Statements, as prescribed by GAAP, are currently adequate in light of the probable and estimable liabilities with respect to such matters, but there can be no assurances that the amounts required to satisfy alleged liabilities from such matters will not impact future operating results. Other than as stated below, the Company does not currently expect to incur material capital expenditures related to such matters. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various lawsuits, claims, legal proceedings and other matters, including, but not limited to the Fox River and Kalamazoo River environmental matters and other matters discussed below, and to comply with applicable laws and regulations, will not exceed the amounts reflected in NCR's Consolidated Financial Statements or will not have a material adverse effect on its consolidated results of operations, capital expenditures, competitive position, financial condition or cash flows. Any costs that may be incurred in excess of those amounts provided as of December 31, 2013 cannot currently be reasonably determined, or are not currently considered probable.

In 2012, NCR received anonymous allegations from a purported whistleblower regarding certain aspects of the Company's business practices in China, the Middle East and Africa. The principal allegations received in 2012 relate to the Company's compliance with the Foreign Corrupt Practices Act (FCPA) and federal regulations that prohibit U.S. persons from engaging in certain activities in Syria. NCR promptly retained experienced outside counsel and began an internal investigation of those allegations that was completed in January 2013. On August 31, 2012, the Board of Directors received a demand letter from an individual shareholder demanding that the Board investigate and take action in connection with certain of the whistleblower allegations. The Board formed a Special Committee to investigate those matters, and that Special Committee also separately retained experienced outside counsel, and completed an investigation in January 2013. On January 23, 2013, upon the recommendation of the Special Committee following its review, the Board of Directors adopted a resolution rejecting the shareholder demand. As part of its resolution, the Board determined, among other things, that the officers and directors named in the demand had not breached their fiduciary duties and that the Company will not commence litigation against the named officers and directors. The Board further resolved to review measures proposed and implemented by management to strengthen the Company's compliance with trade embargos, export control laws and anti-bribery laws. In March 2013, the shareholder who sent the demand filed a derivative action in a Georgia state court, naming as defendants three Company officers, five members of the Board of Directors, and the Company as a nominal defendant. The Company and the officers and directors removed the case to federal court in Georgia. In July 2013, the Board of Directors received a demand letter from another shareholder with respect to allegations similar to those contained in the prior demand letter. In September 2013, the Board of Directors rejected the demand contained in that letter. In the quarter ended December 31, 2013, the individual defendants in the Georgia suit, and the Company as nominal defendant, entered into a memorandum of understanding with respect to a potential settlement of plaintiff's claims. See Note 18, "Subsequent Events" for additional information.

With respect to Syria, in 2012 NCR voluntarily notified the U.S. Treasury Department, Office of Foreign Assets Control (OFAC) of potential violations and ceased operations in Syria, which were commercially insignificant. The notification related to confusion stemming from the Company's failure to register in Syria the transfer of the Company's Syrian branch to a foreign subsidiary and to deregister the Company's legacy Syrian branch, which was a branch of NCR Corporation. The Company has applied for and received from OFAC various licenses that have permitted the Company to take measures required to wind down its past operations in Syria. The Company also submitted a detailed report to OFAC regarding this matter, including a description of the Company's comprehensive export control program and related remedial measures.

With respect to the FCPA, the Company made a presentation to the staff of the Securities and Exchange Commission (SEC) and the U.S. Department of Justice (DOJ) providing the facts known to the Company related to the whistleblower's FCPA allegations, and advising the government that many of these allegations were unsubstantiated. The Company is responding to subpoenas of the SEC and requests of the DOJ for documents and information related to the FCPA, including matters related to the whistleblower's FCPA allegations. The Company's investigations of the whistleblower's FCPA allegations identified a few opportunities to strengthen the Company's comprehensive FCPA compliance program, and remediation measures are being implemented.

The Company is fully cooperating with the authorities with respect to all of these matters. There can be no assurance that the Company will not be subject to fines or other remedial measures as a result of OFAC's, the SEC's or the DOJ's investigations.

In relation to a patent infringement case filed by a company known as Automated Transactions LLC (ATL), the Company agreed to defend and indemnify its customers, 7-Eleven and Cardtronics. On behalf of those customers, the Company won summary judgment in the case in March 2011. ATL's appeal of that ruling was decided in favor of 7-Eleven and Cardtronics in 2012, and its petition for review by the United States Supreme Court was denied in January 2013. (There are further proceedings to occur in the trial court on the indemnified companies' counterclaims against ATL, such that the case is not fully resolved, although ATL's claims of infringement in that case have now been fully adjudicated.) ATL contends that Vcom terminals sold by the Company to 7-Eleven (Cardtronics ultimately purchased the business from 7-Eleven) infringed certain ATL patents that purport to relate to the combination of an ATM with an Internet kiosk, in which a retail transaction can be realized over an Internet connection provided by the kiosk. Independent of the litigation, the U.S. Patent and Trademark Office (USPTO) rejected the parent patent as invalid in view of certain prior art, although related continuation patents were not reexamined by the USPTO. ATL filed a second suit against the same companies with respect to a broader range of ATMs, based on the same patents plus additional more recently issued patents; that suit has been consolidated with the first case. These cases are being defended vigorously by NCR, together with 7-Eleven and Cardtronics.

Environmental Matters NCR's facilities and operations are subject to a wide range of environmental protection laws, and NCR has investigatory and remedial activities underway at a number of facilities that it currently owns or operates, or formerly owned or operated, to comply, or to determine compliance, with such laws. Also, NCR has been identified, either by a government agency or by a private party seeking contribution to site clean-up costs, as a potentially responsible party (PRP) at a number of sites pursuant to various state and federal laws, including the Federal Water Pollution Control Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and comparable state statutes. Other than the Fox River matter and the Kalamazoo River matter detailed below, we currently do not anticipate material expenses and liabilities from these environmental matters.

Fox River NCR is one of eight entities that were formally notified by governmental and other entities, such as local Native American tribes, that they are PRPs for environmental claims (under CERCLA and other statutes) arising out of the presence of polychlorinated biphenyls (PCBs) in sediments in the lower Fox River and in the Bay of Green Bay in Wisconsin. The other Fox River PRPs that received notices are Appleton Papers Inc. (API; now known as Appvion, Inc.), P.H. Glatfelter Company, Georgia-Pacific Consumer Products LP (GP, successor to Fort James Operating Company), WTM I Co. (formerly Wisconsin Tissue Mills, now owned by Canal Corporation, formerly known as Chesapeake Corporation), CBC Corporation (formerly Riverside Paper

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Corporation), U.S. Paper Mills Corp. (owned by Sonoco Products Company), and Menasha Corporation. NCR was identified as a PRP because of alleged PCB discharges from two carbonless copy paper manufacturing facilities it previously owned, which were located along the Fox River. NCR sold its facilities in 1978 to API. Some parties contend that NCR is also responsible for PCB discharges from paper mills owned by other companies because NCR carbonless copy paper "broke" was allegedly purchased by those other mills as a raw material.

The United States Environmental Protection Agency (USEPA) and Wisconsin Department of Natural Resources (together, the Governments) developed clean-up plans for the upper and lower parts of the Fox River and for portions of the Bay of Green Bay. On November 13, 2007, the Governments issued a unilateral administrative order (the 2007 Order) under CERCLA to the eight original PRPs, requiring them to perform remedial work under the Governments' clean-up plan. In April 2009, NCR and API formed a limited liability company (the LLC), which entered into an agreement with an environmental remediation contractor to perform the work at the Fox River site. In-water dredging and remediation under the clean-up plan commenced shortly thereafter.

NCR and API, along with B.A.T Industries p.l.c. (BAT), share a portion of the cost of the Fox River clean-up and natural resource damages (NRD) based upon a 1998 agreement (the Cost Sharing Agreement) and a 2005 arbitration award (subsequently confirmed as a judgment). The Cost Sharing Agreement and the arbitration resolved disputes that arose out of agreements relating to the Company's 1978 sale of its Fox River facilities to API. The agreement and award result in a 45% share for NCR of the first $75 million of such costs (a threshold that was reached in 2008), and a 40% share for amounts in excess of $75 million. The non-NCR balance is shared on a joint and several basis by API and BAT.

Various litigation proceedings concerning the Fox River are pending. In a contribution action filed in 2008 seeking to determine allocable responsibility of several companies and governmental entities, a federal court in Wisconsin ruled that NCR and API did not have a right to obtain contribution from the other parties, but that those parties could obtain contribution from NCR and API with respect to certain moneys they had spent. Decisions in that action were issued in 2009, 2011, 2012 and 2013, with a final judgment entered in 2013. The final judgment held the Company liable in the approximate amount of $76 million; the Company prevailed on claims seeking to hold it liable under an "arranger" theory for the most upriver portion of the site, where claimed damages were approximately $95 million. The Company has secured a bond to stay execution on the judgment and has commenced an appeal from the aspects of the judgment that were not favorable to the Company. Other companies are also appealing from the judgment, including from those aspects that are favorable to the Company.

In August 2013, GP filed a breach of contract action against the Company in a Wisconsin state court, seeking reimbursement of expenses incurred under Fox River-related agreements entered into by certain PRPs in the 1990s; the Wisconsin federal court had ruled the expenses could not be recovered in the context of the contribution action. Any liability arising under those agreements would be subject to the cost-sharing obligations described herein pertaining to API, BAT, AT&T and Alcatel-Lucent. The Company expects the outcome of the appeal in the contribution litigation to control the result of this breach of contract action; the amount sought in the action is encompassed in the Company's Fox River reserve, described below.

In 2010, the Governments filed a lawsuit (the Government enforcement action) in Wisconsin federal court against the companies named in the 2007 Order. After a 2012 trial, in May 2013 the court held, among other things, that harm at the site is not divisible, and it entered a declaratory judgment against seven defendants (including NCR), finding them jointly and severally liable to comply with the applicable provisions of the 2007 Order. The court also issued an injunction against four companies (including NCR), ordering them to comply with the applicable provisions of the 2007 Order. Several parties, including NCR, have appealed from the judgment.

In April 2012, the court ruled in the Government enforcement action that API did not have direct CERCLA liability to the Governments, without disturbing API's continuing obligation to pay under the Cost Sharing Agreement, arbitration award and judgment. Following the court's decision and API's subsequent and disputed

withdrawal from the LLC, API has refused to pay for remediation costs and the Company has funded the cost of remediation activity ordered by the court. NCR has sought payment from API under the Cost Sharing Agreement, and NCR's payment demands made upon API as of December 31, 2013 total to approximately $80 million. The Company believes that the court's decision dismissing the Governments' claims against API has no effect on API's independent contractual and judgment-based obligations to NCR. The Company and API are engaged in arbitration proceedings over API's failure to pay; API has counterclaimed against NCR. In connection with the dispute, in public filings in November 2013 API states that the Wisconsin federal court's rulings "do not affect [API's] rights or obligations to share defense and liability costs with NCR in accordance with the terms of a 1998 agreement [the Cost Sharing Agreement] and a 2005 arbitration determination . . ." Appleton also reports in the same filing that "[t]he current carrying amount of [API's] liability under the [a]rbitration is $60.8 million, which represents [API's] best estimate of potential amounts to be paid."

The extent of NCR's potential Fox River liability remains subject to many uncertainties. NCR's eventual remediation liability, which is expected to be paid out over a period extending through approximately 2017, followed by long-term monitoring, will depend on a number of factors. In general, the most significant factors include: (1) the total clean-up costs, which are estimated at $825 million (there can be no assurances that this estimate will not be significantly higher as work progresses); (2) total NRD for the site, which may range from zero to $246 million (the government in one court filing in 2009 indicated claims could be as high as $382 million; in a September 2011 ruling the Wisconsin federal court ruled that the defendants in the contribution litigation could seek recovery against NCR for overpayments of NRD, although NRD recovery, if any, is a disputed issue that is not expected to be determined before later in 2014 or 2015); (3) the share of future clean-up costs and NRD that NCR will bear, which under the current rulings by the federal court is assumed to be the full extent of clean-up activities other than for the most upriver portion of the site; (4) NCR's transaction and litigation costs to defend itself in this matter; and (5) the share of NCR's payments that API or BAT will bear, which is established by the Cost Sharing Agreement, arbitration award and judgment. With respect to the last point, as a result of certain corporate transactions unrelated to NCR, API is itself indemnified by Windward Prospects Limited, which has funded and managed much of API's liability to date. NCR's analysis of this factor assumes that API and Windward Prospects are financially viable and pay their percentage share. This analysis also assumes that BAT would be financially viable and willing to pay the joint and several obligation if API does not.

Calculation of the Company's Fox River reserve is subject to several complexities, and it is possible there could be additional changes to some elements of the reserve over upcoming periods, although the Company is unable to predict or estimate such changes at this time. There can be no assurance that the clean-up and related expenditures will not have a material effect on NCR's capital expenditures, earnings, financial condition, cash flows, or competitive position. As of December 31, 2013, the net reserve for the Fox River matter was approximately $112 million, compared to $115 million as of December 31, 2012. The decrease in the net reserve is due to payments for clean-up activities and litigation costs, offset by cash receipts from AT&T and Alcatel-Lucent and changes in estimates and assumptions of the total costs. NCR contributes to the LLC in order to fund remediation activities and generally, by contract, funds three months' worth of remediation activities in advance. As of December 31, 2013 and 2012, approximately zero and $3 million, respectively, remained from this funding and was recorded in other current assets in the Consolidated Balance Sheets. NCR's reserve for the Fox River matter is reduced as the LLC makes payments to the remediation contractor and other vendors with respect to remediation activities.

Under a 1996 agreement, AT&T and Alcatel-Lucent are responsible severally (not jointly) for indemnifying NCR for certain portions of the amounts paid by NCR for the Fox River matter over a defined threshold and subject to certain offsets. (The agreement governs certain aspects of AT&T Corp.'s divestiture of NCR and of what was then known as Lucent Technologies.) NCR's estimate of what AT&T and Alcatel-Lucent will be obligated to pay under the indemnity totaled approximately $51 million as of December 31, 2013 and $84 million as of December 31, 2012, and is deducted in determining the net reserve discussed above.

In connection with the Fox River and other matters, through December 31, 2013, NCR has received a combined total of approximately $173 million in settlements reached with its principal insurance carriers. Included in this sum is approximately $9 million received in settlements, distributions and other transactions in the quarter ended

December 31, 2013. Portions of most of these settlements are payable to a law firm that litigated the claims on the Company's behalf. Some of the settlements cover not only the Fox River but also other environmental sites. Of the total amount collected to date, $9 million is subject to competing claims by API. As of December 31, 2013, NCR had reached settlement with all of the solvent insurance companies against which it had advanced claims with respect to the Fox River, and no litigation against insurance carriers remains pending.

Kalamazoo River In November 2010, USEPA issued a "general notice letter" to NCR with respect to the Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site (Kalamazoo River site) in Michigan. Three other companies—International Paper, Mead Corporation, and Consumers Energy—also received general notice letters at or about the same time. USEPA asserts that the site is contaminated by various substances, primarily PCBs, as a result of discharges by various paper mills located along the river. USEPA does not claim that the Company made direct discharges into the Kalamazoo River, but indicated that "NCR may be liable under Section 107 of CERCLA . as an arranger, who by contract or agreement, arranged for the disposal, treatment and/or transportation of hazardous substances at the Site." USEPA stated that it "may issue special notice letters to [NCR] and other PRPs for future RI/FS [remedial investigation / feasibility studies] and RD/RA [remedial design / remedial action] negotiations."

In connection with the Kalamazoo River site, in December 2010 the Company, along with two other defendants, was sued in federal court by three companies in a contribution and cost recovery action for alleged pollution. The suit, pending in Michigan, asks that the Company pay a "fair portion" of these companies' costs, which are represented in the complaint as $79 million to date; various removal and remedial actions remain to be performed at the Kalamazoo River site, the costs for which have not been determined. The suit alleges that the Company is liable as an "arranger" under CERCLA. The initial phase of the case was tried in a Michigan federal court in February 2013; on September 26, 2013 the court issued a decision that held NCR was liable as an "arranger," at least as of March 1969. PCB-containing carbonless copy paper was produced from approximately 1954 to April 1971. The Court did not determine NCR's share of the overall liability or how NCR's liability relates to the liability of other liable or potentially liable parties at the site. The amount of damages, if any, will be litigated in a subsequent phase of the case, with trial scheduled to commence on July 28, 2015. If the Company is found liable for money damages with respect to the Kalamazoo River site, it would have claims against API and BAT under the Cost Sharing Agreement, arbitration award and judgment discussed above in connection with the Fox River matter and against AT&T and Alcatel-Lucent.

Environmental Remediation Estimates It is difficult to estimate the future financial impact of environmental laws, including potential liabilities. NCR records environmental provisions when it is probable that a liability has been incurred and the amount or range of the liability is reasonably estimable. Provisions for estimated losses from environmental restoration and remediation are, depending on the site, based generally on internal and third-party environmental studies, estimates as to the number and participation level of other PRPs, the extent of contamination, estimated amounts for attorney and other fees, and the nature of required clean-up and restoration actions. Reserves are adjusted as further information develops or circumstances change. Management expects that the amounts reserved from time to time will be paid out over the period of investigation, negotiation, remediation and restoration for the applicable sites. The amounts provided for environmental matters in NCR's Consolidated Financial Statements are the estimated gross undiscounted amounts of such liabilities, without deductions for insurance, third-party indemnity claims or recoveries from other PRPs, except as qualified in the following sentences. Except for the sharing agreement with API described above with respect to a particular insurance settlement, in those cases where insurance carriers or third-party indemnitors have agreed to pay any amounts and management believes that collectibility of such amounts is probable, the amounts are recorded in the Consolidated Financial Statements. For the Fox River site, as described above, assets relating to the AT&T and Alcatel-Lucent indemnity and to the API/BAT joint and several obligation are recorded as payment is supported by contractual agreements, public filings and/or payment history.

Guarantees and Product Warranties Guarantees associated with NCR's business activities are reviewed for appropriateness and impact to the Company's financial statements. As of December 31, 2013 and 2012, NCR had no material obligations related to such guarantees, and therefore its financial statements do not have any associated liability balance.

NCR provides its customers a standard manufacturer's warranty and records, at the time of the sale, a corresponding estimated liability for potential warranty costs. Estimated future obligations due to warranty claims are based upon historical factors, such as labor rates, average repair time, travel time, number of service calls per machine and cost of replacement parts. When a sale is consummated, the total customer revenue is recognized, provided that all revenue recognition criteria are otherwise satisfied, and the associated warranty liability is recorded using pre-established warranty percentages for the respective product classes. From time to time, product design or quality corrections are accomplished through modification programs. When identified, associated costs of labor and parts for such programs are estimated and accrued as part of the warranty reserve.

The Company recorded the activity related to the warranty reserve for the years ended December 31 as follows:

In millions	2013	2012	2011
Warranty reserve liability			
Beginning balance as of January 1	**$ 26**	$ 23	$ 24
Accruals for warranties issued	**39**	46	42
Settlements (in cash or in kind)	**(43)**	(43)	(43)
Ending balance as of December 31	**$ 22**	$ 26	$ 23

In addition, NCR provides its customers with certain indemnification rights. In general, NCR agrees to indemnify the customer if a third party asserts patent or other infringement on the part of its customers for its use of the Company's products subject to certain conditions that are generally standard within the Company's industries. On limited occasions the Company will undertake additional indemnification obligations for business reasons. From time to time, NCR also enters into agreements in connection with its acquisition and divestiture activities that include indemnification obligations by the Company. The fair value of these indemnification obligations is not readily determinable due to the conditional nature of the Company's potential obligations and the specific facts and circumstances involved with each particular agreement. The Company has not recorded a liability in connection with these indemnifications, and no current indemnification instance is material to the Company's financial position. Historically, payments made by the Company under these types of agreements have not had a material effect on the Company's consolidated financial condition, results of operations or cash flows.

Purchase Commitments The Company has purchase commitments for materials, supplies, services, and property, plant and equipment as part of the normal course of business. This includes a long-term service agreement with Accenture under which many of NCR's key transaction processing activities and functions are performed.

Leases NCR conducts certain of its sales and manufacturing operations using leased facilities, and also operates certain equipment and vehicles under leases, the initial lease terms of which vary in length. Many of the leases contain renewal options and escalation clauses that are not material to the overall lease portfolio. Future minimum lease payments under non-cancelable operating leases as of December 31, 2013, for the following fiscal years were:

In millions	2014	2015	2016	2017	2018
Minimum lease obligations	$94	$67	$44	$21	$9

Total rental expense for operating leases was $118 million in 2013, $102 million in 2012, and $100 million in 2011.

11. DERIVATIVES AND HEDGING INSTRUMENTS

NCR is exposed to risks associated with changes in foreign currency exchange rates and interest rates. NCR utilizes a variety of measures to monitor and manage these risks, including the use of derivative financial instruments. NCR has exposure to approximately 50 functional currencies. Since a substantial portion of our

operations and revenues occur outside the United States (U.S.), and in currencies other than the U.S. Dollar, our results can be significantly impacted, both positively and negatively, by changes in foreign currency exchange rates.

Foreign Currency Exchange Risk The accounting guidance for derivatives and hedging requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the Consolidated Balance Sheets. The Company designates foreign exchange contracts as cash flow hedges of forecasted inter-company inventory purchases when they are determined to be highly effective at inception.

Our risk management strategy includes hedging, on behalf of certain subsidiaries, a portion of our forecasted, non-functional currency denominated cash flows for a period of up to 15 months. As a result, some of the impact of currency fluctuations on non-functional currency denominated transactions (and hence on subsidiary operating income, as stated in the functional currency), is mitigated in the near term. The amount we hedge and the duration of hedge contracts may vary significantly. In the longer term (greater than 15 months), the subsidiaries are still subject to the effect of translating the functional currency results to U.S. Dollars. To manage our exposures and mitigate the impact of currency fluctuations on the operations of our foreign subsidiaries, we hedge our main transactional exposures through the use of foreign exchange forward and option contracts. This is primarily done through the hedging of foreign currency denominated inter-company inventory purchases by NCR's marketing units and the foreign currency denominated inputs to our manufacturing units. As these transactions are firmly committed and forecasted, the related foreign exchange contracts are designated as highly effective cash flow hedges. The gains or losses on these hedges are deferred in AOCI and reclassified to income when the underlying hedged transaction has been completed and is recorded in earnings. As of December 31, 2013, the balance in AOCI related to foreign exchange derivative transactions was zero. The gains or losses from derivative contracts related to inventory purchases are recorded in cost of products when the inventory is sold to an unrelated third party.

We also utilize foreign exchange contracts to hedge our exposure of assets and liabilities denominated in non-functional currencies. We recognize the gains and losses on these types of hedges in earnings as exchange rates change. We do not enter into hedges for speculative purposes.

Interest Rate Risk The Company is party to an interest rate swap agreement that fixes the interest rate on a portion of the Company's LIBOR indexed floating rate borrowings under its Senior Secured Credit Facility through August 22, 2016. The notional amount of the interest rate swap as of December 31, 2013 was $518 million and amortizes to $341 million over the term. The Company designates the interest rate swap as a cash flow hedge of forecasted quarterly interest payments made on three-month LIBOR indexed borrowings under the Senior Secured Credit Facility. The interest rate swap was determined to be highly effective at inception.

Our risk management strategy includes hedging a portion of our forecasted interest payments. These transactions are firmly committed and forecasted and the related interest rate swap agreement is designated as a highly effective cash flow hedge. The gains or losses on this hedge are deferred in AOCI and reclassified to income when the underlying hedged transaction has been completed and is recorded in earnings. As of December 31, 2013, the balance in AOCI related to the interest rate swap agreement was a loss of $5 million, net of tax. The gains or losses from this derivative contract related to interest payments are recorded in interest expense when the interest is accrued and affects earnings.

The following tables provide information on the location and amounts of derivative fair values in the Consolidated Balance Sheets:

In millions	Fair Values of Derivative Instruments					
	December 31, 2013			December 31, 2013		
	Balance Sheet Location	Notional Amount	Fair Value	Balance Sheet Location	Notional Amount	Fair Value
Derivatives designated as hedging instruments						
Interest rate swap	Other current assets	$—	$—	Other current liabilities and other liabilities *	$518	$ 10
Foreign exchange contracts	Other current assets	103	1	Other current liabilities	—	—
Total derivatives designated as hedging instruments			$ 1			$ 10
Derivatives not designated as hedging instruments						
Foreign exchange contracts	Other current assets	$162	$ 1	Other current liabilities	$158	$ 1
Total derivatives not designated as hedging instruments			$ 1			$ 1
Total derivatives			$ 2			$ 11

In millions	Fair Values of Derivative Instruments					
	December 31, 2012			December 31, 2012		
	Balance Sheet Location	Notional Amount	Fair Value	Balance Sheet Location	Notional Amount	Fair Value
Derivatives designated as hedging instruments						
Interest rate swap	Other current assets	$—	$—	Other current liabilities and other liabilities*	$560	$ 16
Foreign exchange contracts	Other current assets	28	—	Other current liabilities	72	1
Total derivatives designated as hedging instruments			$—			$ 17
Derivatives not designated as hedging instruments						
Foreign exchange contracts	Other current assets	$169	$ 1	Other current liabilities	$245	$ 3
Total derivatives not designated as hedging instruments			$ 1			$ 3
Total derivatives			$ 1			$ 20

* As of December 31, 2013, approximately $3 million was recorded in other current liabilities and $7 million was recorded in other liabilities related to the interest rate swap. As of December 31, 2012, approximately $5 million was recorded in other current liabilities and $11 million was recorded in other liabilities related to the interest rate swap.

The effect of derivative instruments on the Consolidated Statement of Operations for the years ended December 31 were as follows:

In millions	Amount of Gain (Loss) Recognized in Other Comprehensive Income (OCI) on Derivative (Effective Portion)				Amount of Gain (Loss) Reclassified from AOCI into the Consolidated Statement of Operations (Effective Portion)				Amount of Gain (Loss) Recognized in the Consolidated Statement of Operations (Ineffective Portion and Amount Excluded from Effectiveness Testing)		
Derivatives in Cash Flow Hedging Relationships	For the year ended December 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011	Location of Gain (Loss) Reclassified from AOCI into the Consolidated Statement of Operations (Effective Portion)	For the year ended December 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011	Location of Gain (Loss) Recognized in the Consolidated Statement of Operations (Ineffective Portion and Amount Excluded from Effectiveness Testing)	For the year ended December 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011
Interest rate swap	$—	$(12)	$(9)	Interest expense	$(7)	$(5)	$(1)	Interest expense	$—	$—	$—
Foreign exchange contracts	$ 2	$ (2)	$(3)	Cost of Products	$ 1	$ 4	$(3)	Other (expense) income, net	$—	$—	$ 1

In millions		Amount of Gain (Loss) Recognized in the Consolidated Statement of Operations		
Derivatives not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in the Consolidated Statement of Operations	For the year ended December 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011
Foreign exchange contracts	Other (expense) income, net	**$(19)**	$(8)	$6

Refer to Note 12, "Fair Value of Assets and Liabilities" for further information on derivative assets and liabilities recorded at fair value on a recurring basis.

Concentration of Credit Risk NCR is potentially subject to concentrations of credit risk on accounts receivable and financial instruments such as hedging instruments and cash and cash equivalents. Credit risk includes the risk of nonperformance by counterparties. The maximum potential loss may exceed the amount recognized on the Consolidated Balance Sheets. Exposure to credit risk is managed through credit approvals, credit limits, selecting major international financial institutions (as counterparties to hedging transactions) and monitoring procedures. NCR's business often involves large transactions with customers, and if one or more of those customers were to default on its obligations under applicable contractual arrangements, the Company could be exposed to potentially significant losses. However, management believes that the reserves for potential losses are adequate. As of December 31, 2013 and 2012, NCR did not have any major concentration of credit risk related to financial instruments.

12. FAIR VALUE OF ASSETS AND LIABILITIES

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Assets and liabilities recorded at fair value on a recurring basis as of December 31, 2013 and 2012 are set forth as follows:

In millions	Fair Value as of December 31, 2013	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Deposits held in money market mutual funds*	$ 9	$ 9	$—	$—
Available for sale securities**	8	8	—	—
Foreign exchange contracts ***	2	—	2	—
Total	$ 19	$ 17	$ 2	$—
Liabilities:				
Interest rate swap ****	$ 10	$—	$ 10	$—
Foreign exchange contracts****	1	—	1	—
Total	$ 11	$—	$ 11	$—

In millions	Fair Value as of December 31, 2012	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Deposits held in money market mutual funds*	$527	$527	$—	$—
Available for sale securities**	11	11	—	—
Foreign exchange contracts ***	1	—	1	—
Total	$539	$538	$ 1	$—
Liabilities:				
Interest rate swap ****	$ 16	$—	$ 16	$—
Foreign exchange contracts****	4	—	4	—
Total	$ 20	$—	$ 20	$—

* Included in Cash and cash equivalents in the Consolidated Balance Sheets.
** Included in Other assets in the Consolidated Balance Sheets.
*** Included in Other current assets in the Consolidated Balance Sheets.
****Included in Other current liabilities and Other liabilities in the Consolidated Balance Sheets.

Deposits Held in Money Market Mutual Funds—A portion of the Company's excess cash is held in money market mutual funds which generate interest income based on prevailing market rates. Money market mutual fund holdings are measured at fair value using quoted market prices and are classified within Level 1 of the valuation hierarchy.

Available-For-Sale Securities—The Company has investments in mutual funds and equity securities that are valued using the market approach with quotations from the NASDAQ stock exchange and two stock exchanges in Japan. As a result, available-for-sale securities are classified within Level 1 of the valuation hierarchy.

Interest rate swap—As a result of our Senior Secured Credit Facility, we are exposed to risk from changes in LIBOR, which may adversely affect our financial condition. To manage our exposure and mitigate the impact of changes in LIBOR on our financial results, we hedge a portion of our forecasted interest payments through the use of an interest rate swap agreement. The interest rate swap is valued using the income approach inclusive of nonperformance and counterparty risk considerations and is classified within Level 2 of the valuation hierarchy.

Foreign Exchange Contracts—As a result of our global operating activities, we are exposed to risks from changes in foreign currency exchange rates, which may adversely affect our financial condition. To manage our exposures and mitigate the impact of currency fluctuations on our financial results, we hedge our primary transactional exposures through the use of foreign exchange forward and option contracts. The foreign exchange contracts are valued using the market approach based on observable market transactions of forward rates and are classified within Level 2 of the valuation hierarchy.

Assets Measured at Fair Value on a Non-recurring Basis

Certain assets have been measured at fair value on a nonrecurring basis using significant unobservable inputs (Level 3). NCR measures certain assets, including intangible assets and cost and equity method investments, at fair value on a non-recurring basis. These assets are recognized at fair value when initially valued and when deemed to be impaired.

NCR reviews the carrying values of investments when events and circumstances warrant and considers all available evidence in evaluating when declines in fair value are other-than-temporary declines. NCR carries equity investments in privately-held companies at cost or at fair value when NCR recognizes an other-than-temporary impairment charge. During 2012, we measured the fair value of an investment utilizing the income approach based on the use of discounted cash flows. The discounted cash flows are based on unobservable inputs, including assumptions of projected revenues, expenses, earnings, capital spending, as well as a discount rate determined by management's estimates of risk associated with the investment. As a result, the year ended December 31, 2012, we recorded an other-than-temporary impairment charge of $7 million in Other (expense) income, net in the Consolidated Statements of Operations based on Level 3 valuations.

13. SEGMENT INFORMATION AND CONCENTRATIONS

Operating Segment Information The Company manages and reports its businesses in the following four segments:

- **Financial Services**—We offer solutions to enable customers in the financial services industry to reduce costs, generate new revenue streams and enhance customer loyalty. These solutions include a comprehensive line of ATM and payment processing hardware and software and cash management and video banking software, and related installation, maintenance and managed and professional services. We also offer a complete line of printer consumables.
- **Retail Solutions**—We offer solutions to customers in the retail industry designed to improve selling productivity and checkout processes as well as increase service levels. These solutions primarily include retail-oriented technologies, such as point of sale terminals and point of sale software, bar-code scanners, as well as innovative self-service kiosks, such as self-checkout. We also offer installation, maintenance, and managed and professional services and a complete line of printer consumables.
- **Hospitality**—We offer technology solutions to customers in the hospitality industry, serving businesses that range from a single store or restaurant to global chains and sports and entertainment venues. Our solutions include point of sale hardware and software solutions, installation, maintenance, and managed and professional services and a complete line of printer consumables.
- **Emerging Industries**—We offer maintenance as well as managed and professional services for third-party computer hardware provided to select manufacturers, primarily in the telecommunications industry, who value and leverage our global service capability. Also included in our Emerging Industries segment are solutions designed to enhance the customer experience for the travel and gaming industries, including self-service kiosks, as well as related installation, maintenance, and managed and professional services.

These segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the chief operating decision maker in assessing segment performance and in allocating the Company's resources. Management evaluates the performance of the segments based on revenue and segment operating income. Assets are not allocated to segments, and thus are not included in the assessment of segment performance, and consequently, we do not disclose total assets by reportable segment.

The accounting policies used to determine the results of the operating segments are the same as those utilized for the consolidated financial statements as a whole. Intersegment sales and transfers are not material.

In recognition of the volatility of the effects of pension expense on our segment results, and to maintain operating focus on business performance, pension expense, as well as other significant, non-recurring items, are excluded from the segment operating results utilized by our chief operating decision maker in evaluating segment performance and are separately delineated to reconcile to income from operations.

The following table presents revenue and operating income by segment for the years ended December 31:

In millions	2013	2012	2011
Revenue by segment			
Financial Services	**$3,115**	$3,201	$2,999
Retail Solutions[1]	**2,034**	1,667	1,778
Hospitality[2]	**626**	522	141
Emerging Industries	**348**	340	373
Consolidated revenue	**6,123**	5,730	5,291
Operating income by segment			
Financial Services	**356**	327	313
Retail Solutions[1]	**205**	102	71
Hospitality[2]	**100**	85	22
Emerging Industries	**56**	75	77
Subtotal—segment operating income	**717**	589	483
Pension (benefit) expense	**(78)**	(224)	582
Other adjustments[3]	**129**	65	49
Income (loss) from operations	**$ 666**	$ 748	$ (148)

(1) From the acquisition date of February 6, 2013 through December 31, 2013, Retalix contributed $298 million in revenue and $53 million in segment operating income to the Retail Solutions segment.

(2) The acquisition of Radiant was completed on August 24, 2011. Because the transaction was completed during 2011, the revenue and operating income results reflected for the Hospitality segment are partial, and reflect only the period from August 25, 2011 through December 31, 2011.

(3) Other adjustments for the twelve months ended December 31, 2013 include $46 million of acquisition-related costs, $65 million of acquisition-related amortization of intangible assets, $15 million of acquisition-related purchase price adjustments, and $3 million of legal costs incurred related to the OFAC and FCPA investigations. For the twelve months ended December 31, 2012, other adjustments include $23 million of acquisition-related costs, $38 million of acquisition-related amortization of intangible assets and $4 million of legal costs incurred related to the OFAC and FCPA investigations. For the twelve months ended December 31, 2011, other adjustments include $37 million of acquisition-related costs and $12 million of acquisition-related amortization of intangible assets.

The following table presents revenue from products and services for NCR for the years ended December 31:

In millions	2013	2012	2011
Product revenue	**$2,912**	$2,854	$2,592
Professional and installation services revenue	**1,259**	927	764
Total solution revenue	**4,171**	3,781	3,356
Support services revenue	**1,952**	1,949	1,935
Total revenue	**$6,123**	$5,730	$5,291

Revenues are attributed to the geographic area/country to which the product is delivered or in which the service is provided. The following table presents revenue by geographic area for NCR for the years ended December 31:

In millions	2013	%	2012	%	2011	%
Revenue by Geographic Area						
United States	**$2,383**	**39%**	$2,198	38%	$1,914	36%
Americas (excluding United States)	**647**	**11%**	625	11%	534	10%
Europe	**1,492**	**24%**	1,459	26%	1,421	27%
Asia Middle East Africa	**1,601**	**26%**	1,448	25%	1,422	27%
Consolidated revenue	**$6,123**	**100%**	$5,730	100%	$5,291	100%

The following table presents property, plant and equipment by geographic area as of December 31:

In millions	2013	2012
Property, plant and equipment, net		
United States	**$153**	$147
Americas (excluding United States)	**22**	23
Europe	**56**	42
Japan	**41**	51
Asia Middle East Africa (excluding Japan)	**80**	45
Consolidated property, plant and equipment, net	**$352**	$308

Concentrations No single customer accounts for more than 10% of NCR's consolidated revenue. As of December 31, 2013, NCR is not aware of any significant concentration of business transacted with a particular customer that could, if suddenly eliminated, have a material adverse effect on NCR's operations. NCR also lacks a concentration of available sources of labor, services, licenses or other rights that could, if suddenly eliminated, have a material adverse effect on its operations.

A number of NCR's products, systems and solutions rely primarily on specific suppliers for microprocessors and other component products, manufactured assemblies, operating systems, commercial software and other central components. NCR also utilizes contract manufacturers in order to complete manufacturing activities. There can be no assurances that any sudden impact to the availability or cost of these technologies or services would not have a material adverse effect on NCR's operations.

14. DISCONTINUED OPERATIONS

Income (loss) from discontinued operations, net of tax includes activity related to environmental matters, the divestiture of our Entertainment business, the spin-off of Teradata Data Warehousing (Teradata), the closure of NCR's EFT payment processing business in Canada, and the divestiture of our healthcare solutions business.

The income (loss) from discontinued operations for the years ended December 31 was:

	2013		2012		2011	
	Pre -Tax	Net of Tax	Pre - Tax	Net of Tax	Pre - Tax	Net of Tax
Environmental matters	$(15)	$ (9)	$ 3	$ 2	$ 3	$ 2
Divestiture of the Entertainment business	—	—	(6)	(4)	(147)	(96)
Spin-off of Teradata	—	—	—	8	—	6
Closure of the EFT Canadian business	—	—	—	—	(2)	(1)
Divestiture of the Healthcare business	—	—	—	—	(5)	(4)
Total	$(15)	$ (9)	$ (3)	$ 6	$(151)	$(93)

Environmental Matters For the year ended December 31, 2013, loss from discontinued operations primarily includes changes in estimates related to the Fox River reserve in addition to accruals for litigation fees related to the Kalamazoo River environmental matter, partially offset by recoveries from insurance carriers. For the year ended December 31, 2012, income from discontinued operations primarily includes previously agreed settlements with insurance carriers related to the Fox River matter. For the year ended December 31, 2011, loss from discontinued operations included an accrual for an environmental matter in Japan, which relates to anticipated future disposal requirements of certain materials generated by a former NCR manufacturing facility in that country, and accruals for litigation fees related to the Kalamazoo River environmental matter. These accruals were offset by Fox River related activities which include scheduled payments from an insurer in connection with a settlement that had been agreed to in prior years coupled with the favorable impact of changes in estimates and assumptions of the total costs. Refer to Note 10, "Commitments and Contingencies" for additional information regarding the Fox River environmental matter.

Divestiture of the Entertainment Business As described in Note 4, "Business Combinations and Divestitures" on June 22, 2012, we sold certain assets of our Entertainment business. Beginning in the first quarter of 2012, we accounted for the Entertainment business as a discontinued operation and as a result, for each period presented, the results of operations and cash flows of the Entertainment business have been presented as a discontinued operation. For the year ended December 31, 2012, income (loss) from discontinued operations included the results of operations of the Entertainment business, as well as a $33 million, or $21 million net of tax, gain from the divestiture of the business.

Spin-off of Teradata On September 30, 2007, NCR completed the spin-off of Teradata through the distribution of a tax-free stock dividend to NCR stockholders. The results of operations and cash flows of Teradata have been presented as a discontinued operation. There was no operating activity related to the spin-off of Teradata in 2013, 2012 and 2011. For the years ended December 31, 2012 and 2011, income from discontinued operations, net of tax, related to favorable changes in uncertain tax benefits attributable to Teradata.

Closure of the Canadian EFTBusiness In the second quarter of 2011, we closed our EFT payment processing business in Canada. For each of the years presented, we have included the results of operations of the EFT business under loss from discontinued operations.

Divestiture of our Healthcare Solutions Business In December 2011, we sold our healthcare solutions business. For each of the years presented, we have included the results of operations of the healthcare solutions business under loss from discontinued operations.

15. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in Accumulated Other Comprehensive Income (Loss) (AOCI) by Component

In millions	Foreign Currency Translation Adjustments	Employee Benefit Plan Adjustments	Changes in Fair Value of Effective Cash Flow Hedges	Changes in Fair Value of Available for Sale Securities	Total
Balance at December 31, 2012	$ (6)	$(22)	$(10)	$ 1	$(37)
Other comprehensive (loss) income before reclassifications	(46)	50	1	2	7
Amounts reclassified from accumulated other comprehensive (loss) income	—	(12)	4	—	(8)
Net current period other comprehensive (loss) income	(46)	38	5	2	(1)
Balance at December 31, 2013	$(52)	$ 16	$ (5)	$ 3	$(38)

Reclassifications Out of Accumulated Other Comprehensive Income (Loss)

The reclassifications from AOCI are summarized as follows:

	For the year ended December 31, 2013			
	Employee benefit plans			
In millions	Actuarial losses recognized	Amortization of prior service benefit	Effective Cash Flow Hedges	Total
Affected line in Consolidated Statement of Operations:				
Cost of products	$—	$ (2)	$ (1)	$ (3)
Cost of services	5	(15)	—	(10)
Selling, general and administrative expenses	2	(9)	—	(7)
Research and development expenses	1	(4)	—	(3)
Interest expense	—	—	7	7
Total before tax	$ 8	$(30)	$ 6	$(16)
Tax expense				8
Total reclassifications, net of tax				$ (8)

16. CONDENSED CONSOLIDATING SUPPLEMENTAL GUARANTOR INFORMATION

During 2012, the Company issued 5.00% senior unsecured notes due in 2022 ("5.00% Notes") and 4.625% senior unsecured notes due in 2021 (the "4.625% Notes"). During 2013, the Company, through its newly formed wholly owned subsidiary, NCR Escrow Corp., issued 5.875% senior unsecured notes due in 2021 ("5.875% Notes") and 6.375% senior unsecured notes due in 2023 ("6.375% Notes"). Each series of these senior unsecured notes is guaranteed by the Company's subsidiary, NCR International, Inc. ("Guarantor Subsidiary"), which is 100% owned by the Company and has guaranteed fully and unconditionally, the obligations to pay principal and interest for the senior unsecured notes. Effective December 31, 2013, Radiant Systems, Inc., formerly a subsidiary guarantor of these senior unsecured notes, was merged with and into NCR Corporation. Therefore, Radiant Systems, Inc. is included within Issuers in the accompanying Condensed Consolidating Financial Statements. The Company has reclassified prior period amounts to conform to current period presentation. Refer to Note 6, "Debt Obligations," and Note 18, "Subsequent Events," for additional disclosures.

Pursuant to the registration rights agreements entered into in connection with the offerings of the 5.00% and 4.625% Notes, the Company completed registered offers to exchange the 5.00% and 4.625% Notes on May 30, 2013.

In connection with the offerings of the 5.875% and 6.375% Notes, the Company and the Guarantor Subsidiary and Radiant Systems Inc. entered into registration rights agreements with the initial purchasers of such Notes. Each registration rights agreement requires the Company and the Guarantor Subsidiary, at their cost, to among other things, use their commercially reasonable efforts to file a registration statement with respect to a registered offer to exchange the senior unsecured notes subject to such registration rights agreement for new notes that are guaranteed by the Guarantor Subsidiary with terms substantially identical in all material respects to the senior unsecured notes subject to such registration statement.

In connection with the registration statements for the exchange offers of the 5.00% and 4.625% Notes and the filing of the registration statements for the 5.875% and 6.375% Notes, the Company is required to comply with Rule 3-10 of SEC Regulation S-X (Rule 3-10), and has therefore included the accompanying Condensed Consolidating Financial Statements in accordance with Rule 3-10(f) of SEC Regulation S-X.

The following supplemental information sets forth, on a consolidating basis, the statements of operations and comprehensive income (loss), the balance sheets and the statements of cash flows for the issuers of these senior unsecured notes, for the Guarantor Subsidiary and for the Company and all of its consolidated subsidiaries (amounts in millions):

Consolidating Statements of Operations and Comprehensive Income
For the year ended December 31, 2013

In millions	Issuers	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Product revenue	$1,107	$ 85	$1,977	$(257)	$2,912
Service revenue	1,232	24	1,955	—	3,211
Total revenue	2,339	109	3,932	(257)	6,123
Cost of products	844	17	1,548	(257)	2,152
Cost of services	880	9	1,342	—	2,231
Selling, general and administrative expenses	467	5	399	—	871
Research and development expenses	94	—	109	—	203
Total operating expenses	2,285	31	3,398	(257)	5,457
Income (loss) from operations	54	78	534	—	666
Interest expense	(104)	2	(6)	5	(103)
Other (expense) income, net	(12)	(8)	16	(5)	(9)
Income (loss) from continuing operations before income taxes	(62)	72	544	—	554
Income tax expense (benefit)	(23)	25	96	—	98
Income (loss) from continuing operations before earnings in subsidiaries	(39)	47	448	—	456
Equity in earnings of consolidated subsidiaries	491	409	—	(900)	—
Income (loss) from continuing operations	452	456	448	(900)	456
Income (loss) from discontinued operations, net of tax	(9)	—	—	—	(9)
Net income (loss)	$ 443	$456	$ 448	$(900)	$ 447
Net (loss) income attributable to noncontrolling interests	—	—	4	—	4
Net income (loss) attributable to NCR	$ 443	$456	$ 444	$(900)	$ 443
Total comprehensive income (loss)	442	331	437	(771)	439
Less comprehensive income (loss) attributable to noncontrolling interests	—	—	(3)	—	(3)
Comprehensive income (loss) attributable to NCR common stockholders	$ 442	$331	$ 440	$(771)	$ 442

Consolidating Statements of Operations and Comprehensive Income
For the year ended December 31, 2012

(in millions)	Issuers	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Product revenue	$1,155	$112	$1,869	$(282)	$2,854
Service revenue	1,180	25	1,671	—	2,876
Total revenue	2,335	137	3,540	(282)	5,730
Cost of products	865	31	1,530	(282)	2,144
Cost of services	682	11	1,248	—	1,941
Selling, general and administrative expenses	399	5	338	—	742
Research and development expenses	66	—	89	—	155
Total operating expenses	2,012	47	3,205	(282)	4,982
Income (loss) from operations	323	90	335	—	748
Interest expense	(46)	(1)	(4)	9	(42)
Other (expense) income, net	(102)	(3)	106	(9)	(8)
Income (loss) from continuing operations before income taxes	175	86	437	—	698
Income tax expense (benefit)	93	61	69	—	223
Income (loss) from continuing operations before earnings in subsidiaries	82	25	368	—	475
Equity in earnings of consolidated subsidiaries	396	177	—	(573)	—
Income (loss) from continuing operations	478	202	368	(573)	475
Income (loss) from discontinued operations, net of tax	3	—	3	—	6
Net income (loss)	$ 481	$202	$ 371	$(573)	$ 481
Net (loss) income attributable to noncontrolling interests	—	—	—	—	—
Net income (loss) attributable to NCR	$ 481	$202	$ 371	$(573)	$ 481
Total comprehensive income (loss)	463	297	362	(663)	459
Less comprehensive income (loss) attributable to noncontrolling interests	—	—	(4)	—	(4)
Comprehensive income (loss) attributable to NCR common stockholders	$ 463	$297	$ 366	$(663)	$ 463

Consolidating Statements of Operations and Comprehensive Income
For the year ended December 31, 2011

(in millions)	Issuers	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Product revenue	$1,043	$103	$1,705	$(259)	$2,592
Service revenue	1,027	23	1,649	—	2,699
Total revenue	2,070	126	3,354	(259)	5,291
Cost of products	820	22	1,439	(259)	2,022
Cost of services	1,044	11	1,263	—	2,318
Selling, general and administrative expenses	530	6	354	—	890
Research and development expenses	130	—	79	—	209
Total operating expenses	2,524	39	3,135	(259)	5,439
Income (loss) from operations	(454)	87	219	—	(148)
Interest expense	(18)	(1)	(6)	12	(13)
Other (expense) income, net	(15)	(9)	33	(12)	(3)
Income (loss) from continuing operations before income taxes	(487)	77	246	—	(164)
Income tax expense (benefit)	(158)	46	46	—	(66)
Income (loss) from continuing operations before earnings in subsidiaries	(329)	31	200	—	(98)
Equity in earnings of consolidated subsidiaries	234	184	—	(418)	—
Income (loss) from continuing operations	(95)	215	200	(418)	(98)
Income (loss) from discontinued operations, net of tax	(95)	—	2	—	(93)
Net income (loss)	$ (190)	$215	$ 202	$(418)	$ (191)
Net (loss) income attributable to noncontrolling interests	—	—	(1)	—	(1)
Net income (loss) attributable to NCR	$ (190)	$215	$ 203	$(418)	$ (190)
Total comprehensive income (loss)	(171)	183	229	(411)	(170)
Less comprehensive income (loss) attributable to noncontrolling interests	—	—	1	—	1
Comprehensive income (loss) attributable to NCR common stockholders	$ (171)	$183	$ 228	$(411)	$ (171)

Consolidating Balance Sheet
December 31, 2013

(in millions)	Issuers	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 75	$ 11	$ 442	$ —	$ 528
Restricted cash	1,114	—	—	—	1,114
Accounts receivable, net	424	14	901	—	1,339
Inventories	319	11	460	—	790
Due from affiliates	333	854	298	(1,485)	—
Other current assets	360	25	209	(26)	568
Total current assets	2,625	915	2,310	(1,511)	4,339
Property, plant and equipment, net	146	1	205	—	352
Goodwill	872	—	662	—	1,534
Intangibles	234	—	260	—	494
Prepaid pension cost	—	—	478	—	478
Deferred income taxes	321	68	52	—	441
Investments in subsidiaries	2,665	1,927	—	(4,592)	—
Due from affiliates	28	20	45	(93)	—
Other assets	334	40	96	—	470
Total assets	$7,225	$2,971	$4,108	$(6,196)	$8,108
Liabilities and stockholders' equity					
Current liabilities					
Short-term borrowings	$ 28	$ —	$ 6	$ —	$ 34
Accounts payable	254	1	415	—	670
Payroll and benefits liabilities	78	1	112	—	191
Deferred service revenue and customer deposits	155	12	358	—	525
Due to affiliates	1,007	123	355	(1,485)	—
Other current liabilities	219	7	261	(26)	461
Total current liabilities	1,741	144	1,507	(1,511)	1,881
Long-term debt	3,296	—	24	—	3,320
Pension and indemnity plan liabilities	234	—	298	—	532
Postretirement and postemployment benefits liabilities	25	—	144	—	169
Income tax accruals	4	10	175	—	189
Environmental liabilities	121	—	—	—	121
Due to affiliates	17	44	32	(93)	—
Other liabilities	18	—	81	—	99
Total liabilities	5,456	198	2,261	(1,604)	6,311
Redeemable noncontrolling interest	—	—	14	—	14
Stockholders' equity					
Total NCR stockholders' equity	1,769	2,773	1,819	(4,592)	1,769
Noncontrolling interests in subsidiaries	—	—	14	—	14
Total stockholders' equity	1,769	2,773	1,833	(4,592)	1,783
Total liabilities and stockholders' equity	$7,225	$2,971	$4,108	$(6,196)	$8,108

Consolidating Balance Sheet
December 31, 2012

(in millions)	Issuers	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 571	$ 6	$ 492	$ —	$1,069
Accounts receivable, net	311	16	759	—	1,086
Inventories	310	3	484	—	797
Due from affiliates	191	647	479	(1,317)	—
Other current assets	261	24	204	(35)	454
Total current assets	1,644	696	2,418	(1,352)	3,406
Property, plant and equipment, net	148	1	159	—	308
Goodwill	841	—	162	—	1,003
Intangibles	262	—	42	—	304
Prepaid pension cost	—	—	368	—	368
Deferred income taxes	403	59	70	—	532
Investments in subsidiaries	1,857	569	—	(2,426)	—
Due from affiliates	26	20	238	(284)	—
Other assets	334	27	87	—	448
Total assets	$5,515	$1,372	$3,544	$(4,062)	$6,369
Liabilities and stockholders' equity					
Current liabilities					
Short-term borrowings	$ 71	$ —	$ 1	$ —	$ 72
Accounts payable	225	1	385	—	611
Payroll and benefits liabilities	93	—	93	—	186
Deferred service revenue and customer deposits	121	13	321	—	455
Due to affiliates	775	12	530	(1,317)	—
Other current liabilities	184	13	256	(35)	418
Total current liabilities	1,469	39	1,586	(1,352)	1,742
Long-term debt	1,889	—	2	—	1,891
Pension and indemnity plan liabilities	434	1	370	—	805
Postretirement and postemployment benefits liabilities	79	—	167	—	246
Income tax accruals	3	8	127	—	138
Environmental liabilities	171	—	—	—	171
Due to affiliates	195	60	29	(284)	—
Other liabilities	23	—	56	—	79
Total liabilities	4,263	108	2,337	(1,636)	5,072
Redeemable noncontrolling interest	—	—	15	—	15
Stockholders' equity					
Total NCR stockholders' equity	1,252	1,264	1,162	(2,426)	1,252
Noncontrolling interests in subsidiaries	—	—	30	—	30
Total stockholders' equity	1,252	1,264	1,192	(2,426)	1,282
Total liabilities and stockholders' equity	$5,515	$1,372	$3,544	$(4,062)	$6,369

Consolidating Statement of Cash Flows
December 31, 2013

(in millions)	Issuers	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash (used in) provided by operating activities	$ (7)	$ 15	$ 312	$ (39)	$ 281
Investing activities					
Expenditures for property, plant and equipment	(35)	(6)	(75)	—	(116)
Proceeds from sales of property, plant and equipment	2	—	8	—	10
Additions to capitalized software	(81)	—	(29)	—	(110)
Acquisitions	(207)	—	(756)	183	(780)
Dispositions	—	—	183	(183)	—
Changes in restricted cash	(1,114)	—	—	—	(1,114)
Proceeds from (payments of) intercompany notes	(54)	—	—	54	—
Investments in subsidiaries	(308)	(33)	—	341	—
Other investing activities, net	5	—	—	—	5
Net cash used in investing activities	(1,792)	(39)	(669)	395	(2,105)
Financing activities					
Tax withholding payments on behalf of employees	(30)	—	—	—	(30)
Proceeds from employee stock plans	57	—	—	—	57
Equity contribution	—	30	311	(341)	—
Repayment of short term borrowings	—	—	(1)	—	(1)
Payments on term credit facilities	(35)	—	—	—	(35)
Borrowings on term credit facilities	300	—	29	—	329
Payments on revolving credit facility	(1,009)	—	—	—	(1,009)
Borrowings on revolving credit facility	1,009	—	—	—	1,009
Proceeds from bond offerings	1,100	—	—	—	1,100
Debt issuance costs	(36)	—	—	—	(36)
Borrowings (repayments) of intercompany notes	—	—	54	(54)	—
Purchase of noncontrolling interest	—	—	(24)	—	(24)
Dividend distribution to minority shareholder	—	—	(3)	—	(3)
Dividend distribution to consolidated subsidiaries	—	—	(39)	39	—
Net cash provided by (used in) financing activities	1,356	30	327	(356)	1,357
Cash flows from discontinued operations					
Net cash used in operating activities	(52)	—	—	—	(52)
Net cash provided by (used in) investing activities	—	—	—	—	—
Net cash used in discontinued operations	(52)	—	—	—	(52)
Effect of exchange rate changes on cash and cash equivalents	(1)	(1)	(20)	—	(22)
Increase (decrease) in cash and cash equivalents	(496)	5	(50)	—	(541)
Cash and cash equivalents at beginning of period	571	6	492	—	1,069
Cash and cash equivalents at end of period	$ 75	$ 11	$ 442	$ —	$ 528

Consolidating Statement of Cash Flows
December 31, 2012

(in millions)	Issuers	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash (used in) provided by operating activities	$ (372)	$ (9)	$211	$ (10)	$ (180)
Investing activities					
Expenditures for property, plant and equipment	(44)	—	(36)	—	(80)
Proceeds from sales of property, plant and equipment	—	—	8	—	8
Additions to capitalized software	(63)	—	(17)	—	(80)
Business acquisitions, net of cash acquired	(70)	—	(38)	—	(108)
Proceeds from (payments of) intercompany notes	—	96	11	(107)	—
Investments in subsidiaries	(21)	(90)	—	111	—
Other investing activities, net	4	—	—	—	4
Net cash used in investing activities	(194)	6	(72)	4	(256)
Financing activities					
Tax withholding payments on behalf of employees	(12)	—	—	—	(12)
Proceeds from employee stock plans	53	—	—	—	53
Equity contribution	—	—	111	(111)	—
Borrowings on term credit facility	150	—	—	—	150
Payments on revolving credit facility	(860)	—	—	—	(860)
Borrowings on revolving credit facility	720	—	—	—	720
Proceeds from bond offerings	1,100	—	—	—	1,100
Debt issuance costs	(19)	—	—	—	(19)
Borrowings (repayments) of intercompany notes	(11)	—	(96)	107	—
Dividend distribution to minority shareholder	—	—	(1)	—	(1)
Dividend distribution to consolidated subsidiaries	—	(2)	(8)	10	—
Net cash provided by (used in) financing activities	1,121	(2)	6	6	1,131
Cash flows from discontinued operations					
Net cash used in operating activities	(114)	—	—	—	(114)
Net cash provided by (used in) investing activities	99	—	—	—	99
Net cash used in discontinued operations	(15)	—	—	—	(15)
Effect of exchange rate changes on cash and cash equivalents	(1)	—	(8)	—	(9)
Increase (decrease) in cash and cash equivalents	539	(5)	137	—	671
Cash and cash equivalents at beginning of period	32	11	355	—	398
Cash and cash equivalents at end of period	$ 571	$ 6	$492	$ —	$1,069

Consolidating Statement of Cash Flows
December 31, 2011

(in millions)	Issuers	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash (used in) provided by operating activities	$ 390	$ (85)	$ 145	$ (62)	$ 388
Investing activities					
Expenditures for property, plant and equipment	(31)	—	(30)	—	(61)
Proceeds from sales of property, plant and equipment	—	—	2	—	2
Additions to capitalized software	(46)	—	(16)	—	(62)
Business acquisitions, net of cash acquired	(1,085)	—	—	—	(1,085)
Proceeds from (payments of) intercompany notes	57	138	(12)	(183)	—
Investments in subsidiaries	(11)	—	—	11	—
Net cash used in investing activities	(1,116)	138	(56)	(172)	(1,206)
Financing activities					
Repurchase of Company common stock	(70)	—	—	—	(70)
Excess tax benefit from stock based compensation	1	—	—	—	1
Proceeds from employee stock plans	18	—	—	—	18
Equity contribution	—	—	11	(11)	—
Borrowings on term credit facilities	700	—	—	—	700
Payments on revolving credit facility	(260)	—	—	—	(260)
Borrowings on revolving credit facility	400	—	—	—	400
Debt issuance costs	(29)	—	—	—	(29)
Borrowings (repayments) of intercompany notes	11	—	(194)	183	—
Proceeds from sale of noncontrolling interest	—	—	43	—	43
Dividend distribution to minority shareholder	—	—	(1)	—	(1)
Dividend distribution to consolidated subsidiaries	—	(51)	(11)	62	—
Net cash provided by (used in) financing activities	771	(51)	(152)	234	802
Cash flows from discontinued operations					
Net cash used in operating activities	(37)	—	—	—	(37)
Net cash provided by (used in) investing activities	(40)	—	—	—	(40)
Net cash used in discontinued operations	(77)	—	—	—	(77)
Effect of exchange rate changes on cash and cash equivalents	(1)	—	(4)	—	(5)
Increase (decrease) in cash and cash equivalents	(33)	2	(67)	—	(98)
Cash and cash equivalents at beginning of period	65	9	422	—	496
Cash and cash equivalents at end of period	$ 32	$ 11	$ 355	$ —	$ 398

17. QUARTERLY INFORMATION (unaudited)

In millions, except per share amounts	First	Second	Third	Fourth
2013				
Total revenue	**$1,410**	**$1,535**	**$1,508**	**$1,670**
Gross margin	**369**	**426**	**415**	**530**
Operating income	**85**	**139**	**145**	**297**
Income from continuing operations (attributable to NCR)	**62**	**86**	**98**	**206**
(Loss) from discontinued operations, net of tax	**(1)**	**—**	**—**	**(8)**
Net income attributable to NCR	**$ 61**	**$ 86**	**$ 98**	**$ 198**
Income per share attributable to NCR common stockholders:				
Income per common share from continuing operations				
Basic	**$ 0.38**	**$ 0.52**	**$ 0.59**	**$ 1.24**
Diluted	**$ 0.37**	**$ 0.51**	**$ 0.58**	**$ 1.21**
Net income per common share:				
Basic	**$ 0.37**	**$ 0.52**	**$ 0.59**	**$ 1.19**
Diluted	**$ 0.36**	**$ 0.51**	**$ 0.58**	**$ 1.16**
2012				
Total revenue	$1,244	$1,409	$1,435	$1,642
Gross margin	315	374	382	574
Operating income	78	130	129	411
Income from continuing operations (attributable to NCR)	59	89	88	239
(Loss) income from discontinued operations, net of tax	(9)	13	(1)	3
Net income attributable to NCR	$ 50	$ 102	$ 87	$ 242
Income per share attributable to NCR common stockholders:				
Income per common share from continuing operations				
Basic	$ 0.37	$ 0.56	$ 0.55	$ 1.49
Diluted	$ 0.36	$ 0.54	$ 0.53	$ 1.45
Net income per common share:				
Basic	$ 0.32	$ 0.64	$ 0.55	$ 1.51
Diluted	$ 0.31	$ 0.62	$ 0.53	$ 1.47

As described in Note 2, "Pension Benefit Plan Accounting Methodology Changes," our results have been revised for the retrospective application of our accounting methodology for recognizing costs for all of our company-sponsored U.S. and international pension benefit plans. For the quarter ended December 31, 2012, operating loss was previously reported as $7 million, net loss attributable to NCR was previously reported as $20 million, and basic and diluted loss per share was previously reported as $0.12. For the quarter ended December 31, 2013, if we had not elected to change our accounting methodology, operating income would have been $124 million, net income attributable to NCR would have been $82 million, basic earnings per share would have been $0.49, and diluted earnings per share would have been $0.48.

Operating income for the quarter ended December 31, 2013 was impacted by actuarial gains related to the remeasurement of our pension plan assets and liabilities. The actuarial gains included in pension benefit recognized in the quarter ended December 31, 2013 increased operating income by $104 million, net income attributable to NCR by $73 million, basic earnings per share by $0.44, and diluted earnings per share by $0.43.

Operating income for the quarter ended December 31, 2012 was impacted by actuarial gains related to the remeasurement of our pension plan assets and liabilities. The actuarial gains included in pension benefit

recognized in the quarter ended December 31, 2012 increased operating income by $262 million, net income attributable to NCR by $155 million, basic earnings per share by $0.97, and diluted earnings per share by $0.94.

Net income per share in each quarter is computed using the weighted-average number of shares outstanding during that quarter while net income per share for the full year is computed using the weighted-average number of shares outstanding during the year. Thus, the sum of the four quarters' net income per share will not necessarily equal the full-year net income per share.

18. SUBSEQUENT EVENTS

Acquisition of Digital Insight Corporation On January 10, 2014, the Company completed its acquisition of Digital Insight Corporation, a leader in online and mobile banking solutions for a cash purchase price of approximately $1.65 billion. As a result of the acquisition, Digital Insight became an indirect wholly owned subsidiary of NCR. The transaction will be accounted for as a business combination.

The purchase price for Digital Insight was financed using the aggregate principal amount from the December 2013 offering by NCR Escrow Corp. of $400 million aggregate principal amount of 5.875% senior unsecured notes due in 2021 and $700 million aggregate principal amount of 6.375% senior unsecured notes due in 2023, $250 million in incremental term loans drawn at closing under the Company's December 2013 Incremental Facility Agreement and approximately $300 million in additional borrowings made at closing under the revolving portion of the Company's Senior Secured Credit Facility. At the closing of the acquisition of Digital Insight, NCR Escrow Corp. merged with and into the Company, with the Company continuing as the surviving corporation. The Company assumed all of NCR Escrow Corp.'s obligations under the 5.875% and 6.375% Notes and the indentures governing those Notes, and the net proceeds from the offering were released from the escrow account to pay for the Digital Insight acquisition. Following the Digital Insight acquisition, NCR's total debt balance was $3.92 billion

NCR incurred acquisition-related transaction costs of approximately $15 million which consist primarily of investment banking, legal and accounting fees. Approximately $7 million were incurred during the year ended December 31, 2013 and are included in selling, general and administrative expenses and interest expense in the accompanying Consolidated Statements of Operations.

These disclosures are based on our preliminary estimates and management is still determining the purchase price allocation. However, the substantial majority of the purchase price is expected to be allocated to goodwill and intangible assets. Additionally, management is still determining the pro forma impact of the Digital Insight acquisition on the 2013 results.

Shareholder Derivative Action With respect to the derivative action settlement referenced in Note 10, "Commitments and Contingencies," on February 3, 2014, the court issued an order that preliminarily approved the proposed settlement, approved the form and content of shareholder notices, and scheduled a fairness hearing.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

NCR has established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the Exchange Act)) to ensure that information required to be disclosed by NCR in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by NCR in the reports that it files or submits under the Exchange Act is accumulated and communicated to NCR's management, including its Chief Executive and Chief Financial Officers, as appropriate to allow timely decisions regarding required disclosure. Based on their evaluation as of the end of the period covered by this Report, conducted under their supervision and with the participation of management, the Company's Chief Executive and Chief Financial Officers have concluded that NCR's disclosure controls and procedures are effective to meet such objective and that NCR's disclosure controls and procedures adequately alert them on a timely basis to material information relating to the Company (including its consolidated subsidiaries) required to be included in NCR's Exchange Act filings.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations due to, for example, the potential for human error or circumvention of controls, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2013. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (1992)* . Based on our assessment, we determined that, as of December 31, 2013, the Company's internal control over financial reporting was effective based on those criteria.

PricewaterhouseCoopers LLP, our independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2013 as stated in their report which appears in Item 8 of this Report.

Item 9B. OTHER INFORMATION

None

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERANCE

Except as set forth in the following paragraphs of this Item 10, the information required by this Item 10 will be set forth under the headings "Election of Directors," "Section 16(a) Beneficial Ownership Reporting Compliance," and "Committees of the Board" in the Definitive Proxy Statement for our 2014 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of our fiscal 2013 year, and is incorporated herein by reference. The information required by this Item 10 regarding our executive officers is set forth under the heading "Executive Officers of the Registrant" in Part I of this Form 10-K and is incorporated herein by reference.

We have not materially changed the procedures by which stockholders may recommend nominees to the Company's Board of Directors.

We have a Code of Conduct that sets the standard for ethics and compliance for all of our directors and employees, including our chief executive officer, our chief financial officer and our chief accounting officer. Our Code of Conduct is available on the Corporate Governance page at our website at http://www.ncr.com/about-ncr/corporate-governance under the heading "Code of Conduct." We intend to disclose any amendments to or waivers of the Code of Conduct with respect to any director as well as our principal executive officer, principal financial officer, and principal accounting officer, on the Corporate Governance page of our website promptly following the date of such amendment or waiver.

Item 11. EXECUTIVE COMPENSATION

The information required by this Item 11 will be set forth under the headings "Executive Compensation," "Compensation and Human Resource Committee," and "Board Compensation and Human Resource Committee Report on Executive Compensation" in the Definitive Proxy Statement for our 2014 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of our fiscal 2013 year, and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIPS OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item 12 will be set forth under the headings "Stock Ownership" and "Equity Compensation Plan Information" in the Definitive Proxy Statement for our 2014 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of our fiscal 2013 year, and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item 13 will be set forth under the headings "Related Person Transactions" and "Corporate Governance" in the Definitive Proxy Statement for our 2014 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of our fiscal 2013 year, is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item 14 will be set forth under the heading "Fees Paid to Independent Registered Public Accounting Firm" in the Definitive Proxy Statement for our 2014 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of our fiscal 2013 year, and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE

(a)(1) *Financial Statements*: The following is an index of the consolidated financial statements of the Company and the Report of Independent Registered Public Accounting Firm filed as part of this Form 10-K:

	Page of Form 10-K
Report of Independent Registered Public Accounting Firm	45
Consolidated Statements of Operations for the years ended December 31, 2013, 2012, and 2011	46
Consolidated Statements of Comprehensive Income Operations for the years ended December 31, 2013, 2012, and 2011	47
Consolidated Balance Sheets at December 31, 2013 and 2012	48
Consolidated Statements of Cash Flows for the years ended December 31, 2013, 2012, and 2011	49
Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2013, 2012, and 2011	50
Notes to Consolidated Financial Statements	51

(2) *Financial Statement Schedule*: Financial Statement Schedule II—Valuation and Qualifying Accounts is included in this Form 10-K. All other schedules are not required under the related instructions or are not applicable.

(3) *Exhibits*: See Index of Exhibits below for a listing of all exhibits to this Form 10-K. The management contracts and compensatory plans or arrangements required to be filed as an exhibit to this Form 10-K are identified in the Index of Exhibits by an asterisk (*).

(b) The following is an index of all exhibits to this Form 10-K. Exhibits identified in parentheses in the index below, on file with the SEC, are incorporated herein by reference as exhibits hereto.

2.1	Separation and Distribution Agreement, dated as of August 27, 2007 between NCR Corporation and Teradata Corporation (Exhibit 2.1 to the Form 10 of Teradata Corporation (the "Teradata Form 10")).
2.2	Agreement and Plan of Merger by and among NCR Corporation, Ranger Acquisition Corporation and Radiant Systems, Inc., dated as of July 11, 2011 (Exhibit 2.1 to the Current Report on Form 8-K of NCR Corporation dated July 12, 2011).
2.3	Asset Purchase Agreement, dated as of February 3, 2012, by and between Redbox Automated Retail, LLC and NCR Corporation.
2.4	First Amendment to Asset Purchase Agreement, dated as of June 22, 2012, by and between Redbox Automated Retail, LLC and NCR Corporation (Exhibit 2.3 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended June 30, 2012).
2.5	Agreement and Plan of Merger, dated November 28, 2012, by and among NCR Corporation, Moon S.P.V. (Subsidiary) Ltd., and Retalix, Ltd. (Exhibit 2.1 to the Current Report on Form 8-K of NCR Corporation dated February 6, 2013).
2.6	Agreement and Plan of Merger, dated as of December 2, 2013, by and among NCR Corporation, Delivery Acquisition Corporation, Fandango Holdings Corporation and Thoma Bravo, LLC as the Stockholder Representative (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated December 2, 2013 (the "December 2, 2013 Form 8-K")).
2.7	Commitment Letter, dated as of December 2, 2013, by and among NCR Corporation, JPMorgan Chase Bank, N.A., J.P. Morgan Securities LLC, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Royal Bank of Canada, RBC Capital Markets, SunTrust Bank, SunTrust Robinson Humphrey, Inc., WF Investment Holdings, LLC and Wells Fargo Securities, LLC (Exhibit 10.2 to the December 2, 2013 Form 8-K).

2.8	Share Purchase Agreement, dated as of December 2, 2013, by and among NCR Limited and the holders of the outstanding share capital of Alaric Systems Limited (Exhibit 10.3 to the December 2, 2013 Form 8-K).
3.1	Articles of Amendment and Restatement of NCR Corporation as amended May 14, 1999 (Exhibit 3.1 to the NCR Corporation Form 10-Q for the quarter ended June 30, 1999).
3.2	Bylaws of NCR Corporation, as amended and restated on January 26, 2011 (Exhibit 3(ii) to the Current Report on Form 8-K of NCR Corporation dated January 31, 2011).
4.1	Common Stock Certificate of NCR Corporation (Exhibit 4.1 to the NCR Corporation Annual Report on Form 10-K for the year ended December 31, 1999).
4.2	Indenture, dated September 17, 2012, among NCR Corporation, as issuer, NCR International Inc. and Radiant Systems Inc. as subsidiary guarantors and U.S. Bank National Association, as trustee (Exhibit 4.01 to the Current Report on Form 8-K of NCR Corporation dated September 18, 2012 (the "September 18, 2012 Form 8-K")).
4.3	Indenture, dated December 18, 2012, among NCR Corporation, as issuer, NCR International Inc. and Radiant Systems Inc. as subsidiary guarantors and U.S. Bank National Association, as trustee (Exhibit 4.01 to the Current Report on Form 8-K of NCR Corporation dated December 18, 2012 (the "December 18, 2012 Form 8-K")).
4.4	Indenture, dated December 19, 2013, between NCR Escrow Corp. and U.S. Bank National Association relating to the $400 million aggregate principal amount of 5.875% senior notes due 2021 (Exhibit 4.1 to the Current Report on Form 8-K of NCR Corporation dated December 19, 2013 (the "December 19, 2013 Form 8-K")).
4.5	Indenture, dated December 19, 2013, between NCR Escrow Corp. and U.S. Bank National Association relating to the $700 million aggregate principal amount of 6.375% senior notes due 2023 (Exhibit 4.2 to the December 19, 2013 Form 8-K).
10.1	Separation and Distribution Agreement, dated as of February 1, 1996 and amended and restated as of March 29, 1996 (Exhibit 10.1 to the Lucent Technologies Inc. Registration Statement on Form S-1 (No. 333-00703) (the "Lucent Registration Statement")).
10.2	Employee Benefits Agreement, dated as of November 20, 1996, by and between AT&T Corp. and NCR Corporation (Exhibit 10.2 to the NCR Corporation Annual Report on Form 10-K for the year ended December 31, 1996 (the "1996 Annual Report").
10.3	Patent License Agreement, effective as of March 29, 1996, by and among AT&T Corp., NCR Corporation, and Lucent Technologies Inc. (Exhibit 10.7 to the Lucent Registration Statement).
10.4	Amended and Restated Technology License Agreement, effective as of March 29, 1996, by and among AT&T Corp., NCR Corporation, and Lucent Technologies Inc. (Exhibit 10.8 to the Lucent Registration Statement).
10.5	Tax Sharing Agreement, dated as of February 1, 1996, and amended and restated as of March 29, 1996, by and among AT&T Corp., NCR Corporation, and Lucent Technologies Inc. (Exhibit 10.6 to the Lucent Registration Statement).
10.6	Purchase and Manufacturing Services Agreement effective as of January 19, 2007, between NCR Corporation and Solectron Corporation (now Flextronics International Ltd.) (incorporated by reference to Exhibit 10.6 to the Form 10-K/A for the fiscal year ended December 31, 2006, filed June 4, 2008). Certain portions of this exhibit were granted confidential treatment by the Securities and Exchange Commission on October 2, 2008.
10.7	Tax Sharing Agreement, dated as of September 21, 2007, between NCR Corporation and Teradata Corporation (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated September 21, 2007 (the "September 21, 2007 Form 8-K")).

10.8	Employee Benefits Agreement, dated as of September 21, 2007, between NCR Corporation and Teradata Corporation (Exhibit 10.2 to the September 21, 2007 Form 8-K).
10.9	Form of Exclusive Patent License Agreement between NCR Corporation and Teradata US, Inc. (Exhibit 10.4 to the Teradata Form 10).
10.10	Form of Patent License Agreement between NCR Corporation and Teradata US, Inc. (Exhibit 10.5 to the Teradata Form 10).
10.11	Form of Technology Agreement between NCR Corporation and Teradata US, Inc. (Exhibit 10.6 to the Teradata Form 10).
10.12	Form of Master Agreement between NCR Corporation and Teradata Corporation for Enterprise Data Warehousing Sales and Support (Exhibit 10.16 to the Teradata Form 10).
10.13	Form of Network Support Agreement between NCR Corporation and Teradata Corporation (Exhibit 10.17 to the Teradata Form 10).
10.14	Form of Service Provider Agreement between NCR Corporation and Teradata Corporation (Exhibit 10.18 to the Teradata Form 10).
10.15	Form of Master Reseller Agreement for Middle East and Africa between NCR Corporation and Teradata Corporation (Exhibit 10.19 to the Teradata Form 10).
10.16	NCR Management Stock Plan (Exhibit 10.8 to the 1996 Annual Report). *
10.16.1	First Amendment to the NCR Management Stock Plan dated April 30, 2003 (Exhibit 10.4 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2003). *
10.16.2	Amendment to NCR Management Stock Plan effective as of December 31, 2008 (Exhibit 10.17.2 to the NCR Corporation Annual Report on Form 10-K for the year ended December 31, 2008 (the "2008 Annual Report")). *
10.16.3	Form of Stock Option Agreement under the NCR Management Stock Plan (Exhibit 10.6.3 to the NCR Corporation Annual Report on Form 10-K for the year ended December 31, 2005 (the "2005 Annual Report")). *
10.16.4	Form of Restricted Stock Agreement under the NCR Management Stock Plan (Exhibit 10.6.4 to the 2005 Annual Report). *
10.17	NCR Corporation 2011 Amended and Restated Stock Incentive Plan (formerly the NCR 2006 Stock Incentive Plan, as amended and restated effective as of December 31, 2008) (the "2011 Stock Incentive Plan") (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated April 27, 2011). *
10.17.1	Form of 2009 Stock Option Agreement under the NCR Corporation 2011 Stock Incentive Plan (Exhibit 10.5 to the Current Report on Form 8-K of NCR Corporation dated December 12, 2008). *
10.17.2	Form of 2009 Restricted Stock Unit Agreement under the 2011 Stock Incentive Plan (Exhibit 10.2 to the Current Report on Form 8-K of NCR Corporation dated December 12, 2008).
10.17.3	Form of 2010 Stock Option Agreement under the 2011 Stock Incentive Plan (Exhibit 10.2 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (the "First Quarter 2010 Quarterly Report")). *
10.17.4	Form of 2010 Restricted Stock Agreement under the 2011 Stock Incentive Plan (Exhibit 10.3 to the First Quarter 2010 Quarterly Report). *
10.17.5	Form of 2010 Restricted Stock Unit Agreement under the 2011 Stock Incentive Plan (Exhibit 10.4 to the First Quarter 2010 Quarterly Report). *

10.17.6	Form of 2010 Performance Based Restricted Stock Agreement under the 2011 Stock Incentive Plan (Exhibit 10.5 to the First Quarter 2010 Quarterly Report). *
10.17.7	Form of 2010 Performance Based Restricted Stock Unit Agreement under the 2011 Stock Incentive Plan (Exhibit 10.6 to the First Quarter 2010 Quarterly Report). *
10.17.8	Form of 2011 Stock Option Agreement under the 2011 Stock Incentive Plan (Exhibit 10.1 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (the "First Quarter 2011 Quarterly Report")). *
10.17.9	Form of 2011 Restricted Stock Agreement under the 2011 Stock Incentive Plan (Exhibit 10.2 to the First Quarter 2011 Quarterly Report). *
10.17.10	Form of 2011 Restricted Stock Unit Agreement under the 2011 Stock Incentive Plan (Exhibit 10.3 to the First Quarter 2011 Quarterly Report). *
10.17.11	Form of 2011 Performance Based Restricted Stock Agreement under the 2011 Stock Incentive Plan (Exhibit 10.4 to the First Quarter 2011 Quarterly Report). *
10.17.12	Form of 2011 Performance Based Restricted Stock Unit Agreement under the 2011 Stock Incentive Plan (Exhibit 10.5 to the First Quarter 2011 Quarterly Report). *
10.17.13	Amendment to the 2011 Restricted Stock Unit Agreement for William Nuti dated April 19, 2012 (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation filed April 19, 2012). *
10.17.14	Form of 2012 Restricted Stock Unit Award Agreement for Non-Executive Employees under the 2011 Stock Incentive Plan (Exhibit 10.2 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (the "First Quarter 2012 Quarterly Report").)*
10.17.15	Form of 2012 Restricted Stock Unit Award Agreement for Executives under the 2011 Stock Incentive Plan (Exhibit 10.3 to the First Quarter 2012 Quarterly Report). *
10.17.16	Form of 2012 Performance Based Restricted Stock Unit Award Agreement for Non-Executive Employees under the 2011 Stock Incentive Plan (Exhibit 10.4 to the First Quarter 2012 Quarterly Report). *
10.17.17	Form of 2012 Performance Based Restricted Stock Unit Award Agreement for Executives under the 2011 Stock Incentive Plan (Exhibit 10.5 to the First Quarter 2012 Quarterly Report). *
10.18	NCR Management Incentive Program for Executive Officers (Exhibit 10.19 to the 1996 Annual Report). *
10.19	Amended and Restated NCR Management Incentive Plan (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated April 27, 2011). *
10.20	NCR Director Compensation Program effective April 21, 2009 (Exhibit 10.7 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 (the "First Quarter 2009 Form 10-Q")). *
10.20.1	2009 Director Option Grant Statement under the NCR Director Compensation Program (Exhibit 10.8 to the First Quarter 2009 Form 10-Q). *
10.20.2	2009 Director Restricted Stock Unit Grant Statement under the NCR Director Compensation Program (Exhibit 10.9 to the First Quarter 2009 Form 10-Q). *
10.21	Amended and Restated NCR Change in Control Severance Plan effective December 31, 2008 (Exhibit 10.24.2 to the 2008 Annual Report). *
10.21.1	First Amendment to the Amended and Restated NCR Change in Control Severance Plan (Exhibit 10.6 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 2011). *

10.22	Amended and Restated NCR Nonqualified Excess Plan, effective December 31, 2008 (Exhibit 10.26.6 to the 2008 Annual Report). *
10.22.1	First Amendment to the NCR Nonqualified Excess Plan dated October 24, 2012. *
10.23	Employment Agreement with William Nuti, dated July 29, 2005 (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation filed August 2, 2005). *
10.23.1	Letter agreement dated July 26, 2006 with William Nuti (Exhibit 10.4 to the Current Report on Form 8-K of NCR Corporation filed July 27, 2006). *
10.23.2	Second Amendment effective as of December 12, 2008 to Letter Agreement with William Nuti dated July 29, 2005, as amended July 26, 2006 (Exhibit 10.30.2 to the 2008 Annual Report). *
10.24	NCR Director Compensation Program Effective April 27, 2010 (Exhibit 10.1 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 (the "Second Quarter 2010 Quarterly Report")). *
10.24.1	Form of 2010 Director Option Grant Statement (Exhibit 10.2 to the Second Quarter 2010 Quarterly Report). *
10.24.2	Form of 2010 Director Restricted Stock Unit Grant Statement (Exhibit 10.3 to the Second Quarter 2010 Quarterly Report). *
10.25	Letter Agreement with Robert Fishman dated March 17, 2010 (Exhibit 10.7 to the First Quarter 2010 Quarterly Report). *
10.26	Letter Agreement with John Bruno dated October 27, 2008 (Exhibit 10.8 to the First Quarter 2010 Quarterly Report). *
10.27	Letter Agreement with Peter Leav dated December 28, 2008 (Exhibit 10.9 to the First Quarter 2010 Quarterly Report). *
10.28	Letter Agreement with Peter Dorsman dated April 4, 2006 (Exhibit 10.1 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 2010). *
10.29	NCR Corporation 2011 Economic Profit Plan (Exhibit 10.3 to the Current Report on Form 8-K of NCR Corporation dated April 27, 2011). *
10.29.1	First Amendment to NCR Corporation 2011 Economic Profit Plan (Exhibit 10.29.1 to the NCR Corporation Annual Report on Form 10-K for the year ended December 31, 2011). *
10.29.2	Second Amendment to NCR Corporation 2011 Economic Profit Plan, dated January 25, 2012 (Exhibit 10.1 to the First Quarter 2012 Quarterly Report).
10.30	Tender and Voting Agreement, dated as of July 11, 2011, by and among NCR Corporation, Ranger Acquisition Corporation and certain shareholders of Radiant Systems, Inc. (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated July 12, 2011).
10.31	First Amendment to Tender and Voting Agreement, dated as of July 21, 2011, by and among NCR Corporation, Ranger Acquisition Corporation and certain shareholders of Radiant Systems, Inc. (Exhibit 10.2 to the Current Report on Form 8-K/A of NCR Corporation dated July 21, 2011).
10.32	Equity Subscription Agreement, dated July 26, 2011, among NCR Corporation, Scopus Industrial S.A., Scopus Tecnologia Ltda. and NCR Brasil—Indústria de Equipamentos Para Automação Ltda., including Schedule I—The form of Shareholders' Agreement (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated August 1, 2011).
10.33	Credit Agreement, dated as of August 22, 2011, by and among NCR Corporation, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated August 26, 2011).

10.34	Guarantee and Pledge Agreement, dated as of August 22, 2011, by and among NCR Corporation, the subsidiaries of NCR Corporation identified therein and JPMorgan Chase Bank, N.A., as Administrative Agent (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated August 26, 2011).
10.35	The Retirement Plan for Officers of NCR (Amended and Restated effective December 31, 2008) (Exhibit 10.22.5 to the 2008 Annual Report). *
10.35.1	First Amendment to the Retirement Plan for Officers of NCR dated October 23, 2012. *
10.36	Registration Rights Agreement, dated September 17, 2012, among NCR Corporation, as issuer, NCR International Inc. and Radiant Systems Inc. as subsidiary guarantors and J.P. Morgan Securities LLC) as representative of the initial purchasers (Exhibit 10.01 to the September 18, 2012 Form 8-K).
10.37	Incremental Facility Agreement, dated as of August 22, 2012, by and among NCR Corporation, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent (Exhibit 10.1 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 (the "Third Quarter 2012 Quarterly Report")).
10.38	Reaffirmation Agreement, dated as of August 22, 2012, by and among NCR Corporation, the subsidiaries of NCR Corporation identified therein, and JPMorgan Chase Bank, N.A., as Administrative Agent (Exhibit 10.2 to the Third Quarter 2012 Quarterly Report).
10.39	Second Amendment, dated as of August 22, 2012, by and among NCR Corporation, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent, relating to the Credit Agreement, dated as of August 22, 2011 and amended as of December 21, 2011, by and among NCR Corporation, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent (Exhibit 10.3 to the Third Quarter 2012 Quarterly Report).
10.40	Voting and Support Agreement, dated as of November 28, 2012, by and among NCR Corporation, Moon S.P.V. (Subsidiary) Ltd. and each of Boaz Dotan, Eli Gelman, Nehemia Lemelbaum, Avinoam Naor and Mario Segal (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated November 28, 2012).
10.41	Registration Rights Agreement, dated December 18, 2012, among NCR Corporation, as issuer, NCR International Inc. and Radiant Systems Inc. as subsidiary guarantors and J.P. Morgan Securities LLC) as representative of the initial purchasers (Exhibit 10.01 to the December 18, 2012 Form 8-K).
10.42	NCR Corporation 2013 Stock Incentive Plan (the "2013 Stock Incentive Plan") (Appendix A to the NCR Corporation Proxy Statement on Schedule 14A for the NCR Corporation 2013 Annual Meeting of Stockholders). *
10.42.1	Form of 2013 Time-Based Restricted Stock Unit Agreement under the 2011 Stock Incentive and the 2013 Stock Incentive Plan (Exhibit 10.2 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (the "First Quarter 2013 Quarterly Report")). *
10.42.2	Form of 2013 Performance-Based Restricted Stock Unit Agreement under the 2011 Stock Incentive Plan and the 2013 Stock Incentive Plan (Exhibit 10.3 to the First Quarter 2013 Quarterly Report). *
10.43	Third Amendment, dated as of February 5, 2013, by and among NCR Corporation, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent, relating to the Credit Agreement, dated as of August 22, 2011, as amended and restated as of August 22, 2012, by and among NCR Corporation, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (Exhibit 10.1 to the First Quarter 2013 Quarterly Report).

10.44	Third Amendment to the NCR Corporation 2011 Economic Profit Plan (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated October 1, 2013). *
10.45	Credit Agreement, dated as of August 22, 2011, as amended and restated as of July 25, 2013, by and among NCR Corporation, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (Exhibit 10.1 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 (the "Third Quarter 2013 Quarterly Report")).
10.46	Reaffirmation Agreement, dated as of July 25, 2013, by and among NCR Corporation, the subsidiaries of NCR Corporation identified therein, and JPMorgan Chase Bank, N.A., as Administrative Agent (Exhibit 10.2 to the Third Quarter 2013 Quarterly Report).
10.47	Agreement between NCR and the Trustees of the NCR Pension Plan (UK), dated November 14, 2013 (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated November 14, 2013).
10.48	First Amendment, dated as of December 4, 2013, to the Credit Agreement, dated as of August 22, 2011, as amended and restated as of July 25, 2013, among NCR Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as the administrative agent (Exhibit 10.1 to the Current Report on Form 8-K of NCR Corporation dated December 5, 2013 (the "December 5, 2013 Form 8-K")).
10.49	Incremental Facility Agreement, dated as of December 4, 2013, among NCR Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as the administrative agent (Exhibit 10.2 to the December 5, 2013 Form 8-K).
10.50	Registration Rights Agreement relating to the 2021 Notes, dated December 19, 2013, among NCR Corporation; NCR International, Inc., and Radiant Systems, Inc., as subsidiary guarantors; and J.P. Morgan Securities LLC, as representative of the initial purchasers (Exhibit 10.1 to the December 19, 2013 Form 8-K).
10.51	Registration Rights Agreement relating to the 2023 Notes, dated December 19, 2013, among NCR Corporation; NCR International, Inc., and Radiant Systems, Inc., as subsidiary guarantors; and J.P. Morgan Securities LLC, as representative of the initial purchasers (Exhibit 10.2 to the December 19, 2013 Form 8-K).
10.52	Letter agreement with Jennifer Daniels dated March 23, 2010. *
12.1	Statement Regarding Computation of Ratio of Earnings to Fixed Charges.
21	Subsidiaries of NCR Corporation.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934.
31.2	Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934.
32	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Tax Opinion of Wachtell, Lipton, Rosen & Katz in connection with the Spin off of Teradata, dated August 27, 2007 (Exhibit 99.2 to the Current Report on Form 8-K of NCR Corporation dated September 30, 2007).
101	Financials in XBRL Format.

* Management contracts or compensatory plans/arrangements

NCR Corporation

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
(In millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs & Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
Year Ended December 31, 2013					
Allowance for doubtful accounts	**$ 16**	**$ 2**	**$—**	**$—**	**$ 18**
Deferred tax asset valuation allowance	**$399**	**$—**	**$—**	**$ 35**	**$364**
Year Ended December 31, 2012					
Allowance for doubtful accounts	$ 16	$—	$—	$—	$ 16
Deferred tax asset valuation allowance	$425	$ 17	$—	$ 43	$399
Reserves related to business restructuring	$ 2	$—	$—	$ 2	$—
Year Ended December 31, 2011					
Allowance for doubtful accounts	$ 13	$ 3	$—	$—	$ 16
Deferred tax asset valuation allowance	$410	$ 15	$—	$—	$425
Reserves related to business restructuring	$ 3	$—	$—	$ 1	$ 2

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NCR CORPORATION

Date: February 26, 2014

By: /s/ Robert P. Fishman
Robert P. Fishman
Senior Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title
/s/ WILLIAM R. NUTI **William R. Nuti**	Chairman of the Board of Directors, Chief Executive Officer and President
/s/ ROBERT P. FISHMAN **Robert P. Fishman**	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ EDWARD P. BOYKIN **Edward P. Boykin**	Director
/s/ RICHARD L. CLEMMER **Richard L. Clemmer**	Director
/s/ GARY DAICHENDT **Gary Daichendt**	Director
/s/ ROBERT P. DERODES **Robert P. DeRodes**	Director
/s/ KURT P. KUEHN **Kurt P. Kuehn**	Director
/s/ LINDA FAYNE LEVINSON **Linda Fayne Levinson**	Director
/s/ DEANNA W. OPPENHEIMER **Deanna W. Oppenheimer**	Director

Date: February 26, 2014

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Annual Meeting of Stockholders
Stockholders are invited to attend NCR's Annual Meeting of Stockholders at 9:00 a.m. on April 23, 2014, to be held at:

NCR Corporation
Auditorium
3097 Satellite Boulevard
Duluth, Georgia 30096

Stockholder Account Inquiries
Inquiries concerning stockholder accounts of NCR's Direct Stock Purchase/Sell Program should be directed to:

NCR Corporation
c/o Wells Fargo Bank, N.A.
Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120

or

Wells Fargo Bank, N.A.
P.O. Box 64854
St. Paul, MN 55164-0854
Ph. 800-NCR-2303 (800-627-2303)
Ph. 651-450-4064 (Outside the U.S.)
Website address:
www.shareowneronline.com

NCR Annual Report on Form 10-K
The Company's annual report filed with the U.S. Securities and Exchange Commission (SEC) on Form 10-K for current and prior years can be accessed via the "Investor Relations" page under "About NCR" at NCR's website at www.ncr.com.

Company Information
Information requests for NCR's SEC filings, annual report on Form 10-K, quarterly reports and other financial information can be obtained without charge by writing or calling:

NCR Investor Relations
3097 Satellite Boulevard
Building 700
Duluth, Georgia 30096-5810
Ph. 1-800-225-5627
investor.relations@ncr.com
http://investor.ncr.com

Stockholders can help NCR reduce printing and mailing costs by viewing NCR's annual reports and proxy statements online as instructed on the Notice of Internet Availability of Proxy Materials (the "Notice") that we will send to you. If you would like a paper copy you may request one at no cost to you as instructed in the Notice.

NCR's Executive Officers

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

Robert P. Fishman
Senior Vice President, Chief Financial Officer (CFO) and Chief Accounting Officer

John G. Bruno
Executive Vice President Industry & Field Operations and Corporate Development

Jennifer M. Daniels
Senior Vice President, General Counsel and Secretary

Peter A. Dorsman
Executive Vice President, Services

Andrea L. Ledford
Senior Vice President Corporate Services and Chief Human Resources Officer

NCR's Board of Directors

William R. Nuti
Chairman of the Board,
NCR Corporation

Edward P. Boykin
Former President and
Chief Operating Officer,
Computer Sciences Corporation

Richard L. Clemmer
President and Chief Executive Officer,
NXP B.V.

Gary J. Daichendt
Former President and
Chief Operating Officer,
Nortel Networks Corporation

Robert P. DeRodes
Former Executive Vice President,
Global Operations & Technology,
First Data Corporation

Kurt P. Kuehn
Chief Financial Officer,
United Parcel Service, Inc.

Linda Fayne Levinson
Former Chair of the Board,
Connexus Corporation

Deanna W. Oppenheimer
Chief Executive Officer,
CameoWorks, LLC





3097 Satellite Boulevard
Duluth, Georgia 30096
www.ncr.com



Annual Meeting of Stockholders

NCR's Annual Meeting of Stockholders will be held at 9:00 a.m. on April 23, 2014, in the Auditorium at NCR Corporation's office located at 3097 Satellite Boulevard, Duluth, Georgia 30096. Please see your proxy statement for instructions should you wish to attend the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Notice of 2014 Annual Meeting of Stockholders and Proxy Statement, and 2013 Annual Report on Form 10-K are available at www.proxyvote.com.

M67501-P47527-Z62431

NCR CORPORATION

Proxy/Voting Instruction Card

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS FOR NCR'S ANNUAL MEETING OF STOCKHOLDERS ON APRIL 23, 2014

The undersigned stockholder of NCR Corporation, a Maryland corporation ("NCR" or the "Company"), hereby appoints William R. Nuti, Jennifer M. Daniels and Robert P. Fishman, and each of them, proxies, with the powers the undersigned would possess if personally present, and with full power of substitution, to vote all shares of common stock of NCR that the undersigned is entitled to vote at NCR's Annual Meeting of Stockholders to be held in Duluth, Georgia on April 23, 2014, and at any postponement or adjournment thereof, upon any matter that may properly come before the meeting, or any postponement or adjournment thereof, including the matters described in the accompanying proxy statement. This proxy also provides voting instructions to the trustee of the NCR Savings Plan and to the trustees and administrators of other plans, with regard to shares of NCR common stock the undersigned may hold under such plans for which the undersigned is entitled to vote at said meeting to the extent permitted by such plans and their trustees and administrators. The undersigned hereby acknowledges receipt of the Notice of the Annual Meeting of Stockholders and of the accompanying Proxy Statement, the terms of each of which are incorporated by reference, and revokes any proxy heretofore given with respect to such meeting.

THE PROXIES OR THE TRUSTEES AND ADMINISTRATORS OF THE PLANS, AS THE CASE MAY BE, WILL VOTE THE SHARES IN ACCORDANCE WITH THE DIRECTIONS ON THIS CARD. IF YOU DO NOT INDICATE YOUR CHOICES ON THIS CARD, THE PROXIES WILL VOTE THE SHARES "FOR" THE NOMINEES FOR DIRECTORS, "FOR" THE RATIFICATION OF THE APPOINTMENT OF THE COMPANY'S INDEPENDENT PUBLIC ACCOUNTING FIRM, "FOR" THE APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION AS DESCRIBED IN THE PROXY MATERIALS, "FOR" THE DIRECTORS' PROPOSAL TO AMEND THE CHARTER OF THE COMPANY TO ELIMINATE THE CLASSIFICATION OF THE BOARD OF DIRECTORS OF THE COMPANY AND PROVIDE FOR ANNUAL ELECTION OF ALL DIRECTORS ELECTED AT OR AFTER THE COMPANY'S 2015 ANNUAL MEETING OF STOCKHOLDERS, AND IN THE DISCRETION OF THE PROXIES ON ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF. IF YOU ARE AN NCR SAVINGS PLAN PARTICIPANT OR OTHER PLAN PARTICIPANT ENTITLED TO VOTE AT THE 2014 ANNUAL MEETING OF STOCKHOLDERS AND DO NOT INDICATE YOUR CHOICES ON THIS CARD, THOSE SHARES WILL BE SO VOTED BY THE TRUSTEES OF SUCH PLANS.

(Continued and to be signed on reverse side.)



3097 SATELLITE BOULEVARD
DULUTH, GA 30096

Your Internet or telephone authorization authorizes the named proxies to vote the shares in the same manner as if you marked, signed and returned your proxy card.

AUTHORIZE BY INTERNET - www.proxyvote.com
Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time on April 22, 2014. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

AUTHORIZE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time on April 22, 2014. Have your proxy card in hand when you call and follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to NCR Corporation, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS
If you would like to reduce the costs incurred by NCR in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to authorize your vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M67500-P47527-Z62431 KEEP THIS PORTION FOR YOUR RECORDS

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. DETACH AND RETURN THIS PORTION ONLY

NCR CORPORATION

	For All	Withhold All	For All Except
The Board of Directors recommends you vote FOR the following:			
Vote on Directors:	☐	☐	☐

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

_____

1. Election of Directors
   Class C Nominees:

   01) Richard L. Clemmer
   02) Kurt P. Kuehn

Vote on Proposals:

The Board of Directors recommends you vote FOR the following proposals:

		For	Against	Abstain
2.	Ratify the appointment of independent registered public accounting firm for 2014.	☐	☐	☐
3.	Advisory vote to approve executive compensation as disclosed in these proxy materials.	☐	☐	☐
4.	To approve the directors' proposal to amend the charter of the Company to eliminate the classification of the Board of Directors of the Company and provide for annual election of all directors elected at or after the Company's 2015 Annual Meeting of Stockholders.	☐	☐	☐

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

NOTE: If you attend the meeting and decide to vote by ballot, your ballot will supersede this proxy. If signing for a corporation or partnership or as an agent, attorney or fiduciary, indicate the capacity in which you are signing.

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

*** Exercise Your *Right* to Vote ***

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 23, 2014.

NCR CORPORATION



3097 SATELLITE BOULEVARD
DULUTH, GEORGIA 30096

M67516-P47527-Z62431

Meeting Information

Meeting Type: Annual Meeting
For holders as of: February 11, 2014
Date: April 23, 2014 **Time:** 9:00 a.m.
Location: NCR Corporation
3097 Satellite Boulevard
Duluth, Georgia 30096

You are receiving this communication because you hold shares in the company named above.

This is not a ballot. You cannot use this notice to vote these shares. This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. You may view the proxy materials online at *www.proxyvote.com* or easily request a paper copy (see reverse side).

We encourage you to access and review all of the important information contained in the proxy materials before voting.

See the reverse side of this notice to obtain proxy materials and voting instructions.

— Before You Vote —

How to Access the Proxy Materials

Proxy Materials Available to VIEW or RECEIVE:

NOTICE AND PROXY STATEMENT 2013 ANNUAL REPORT ON FORM 10-K

How to View Online:

Have the information that is printed in the box marked by the arrow → XXXX XXXX XXXX (located on the following page) and visit: *www.proxyvote.com.*

How to Request and Receive a PAPER or E-MAIL Copy:

If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:

1) *BY INTERNET:* www.proxyvote.com
2) *BY TELEPHONE:* 1-800-579-1639
3) *BY E-MAIL*:* sendmaterial@proxyvote.com

* If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked by the arrow → XXXX XXXX XXXX (located on the following page) in the subject line.

Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before April 9, 2014 to facilitate timely delivery.

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— How To Vote —

Please Choose One of the Following Voting Methods

Vote In Person: Many shareholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance. At the meeting, you will need to request a ballot to vote these shares.

Vote By Internet: To vote now by Internet, go to *www.proxyvote.com.* Have the information that is printed in the box marked by the arrow → XXXX XXXX XXXX (located on the following page) available and follow the instructions.

Vote By Mail: You can vote by mail by requesting a paper copy of the materials, which will include a proxy card.

Voting Items

The Board of Directors recommends you vote FOR the following:

1. Election of Directors
   Class C Nominees:

   01) Richard L. Clemmer
   02) Kurt P. Kuehn

The Board of Directors recommends you vote FOR the following proposals:

2. Ratify the appointment of independent registered public accounting firm for 2014.

3. Advisory vote to approve executive compensation as disclosed in these proxy materials.

4. To approve the directors' proposal to amend the charter of the Company to eliminate the classification of the Board of Directors of the Company and provide for annual election of all directors elected at or after the Company's 2015 Annual Meeting of Stockholders.

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

M67518-P47527-Z62431