

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): May 25, 2006

NCR CORPORATION

(Exact name of registrant as specified in its charter)

Commission File Number 001-00395

Maryland
(State or other jurisdiction of
incorporation or organization)

31-0387920
(I.R.S. Employer
Identification No.)

**1700 S. Patterson Blvd.
Dayton, Ohio 45479**
(Address of principal executive offices and zip code)

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

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

Separation Agreement with Mr. Jonathan Hoak

NCR Corporation (“NCR”) and Jonathan Hoak, NCR’s former Senior Vice President, General Counsel and Secretary, entered into a letter agreement (the “Hoak Agreement”) on May 25, 2006 regarding the terms of Mr. Hoak’s separation from NCR. The following summary of the terms of the Hoak Agreement is qualified in its entirety by the full text of the Hoak Agreement, a copy of which is attached hereto as Exhibit 10.1 and is hereby incorporated by reference in this Item 1.01.

Under the terms of the Hoak Agreement, as of May 29, 2006 Mr. Hoak is no longer Senior Vice President, General Counsel and Secretary of NCR; however, he will continue to be employed by NCR at his current rate of compensation and benefits through the earlier of (1) December 31, 2006 and (2) the date he accepts full-time employment elsewhere (the “Termination Date”). Through his Termination Date, Mr. Hoak will serve as Non-Executive Chairman of Prime Technology, a subsidiary of NCR, and will otherwise be responsible for special projects as assigned by NCR’s CEO. Upon separation from NCR, Mr. Hoak will receive a single payment for 52 weeks of separation pay based on his current weekly base pay compensation. Mr. Hoak also will be eligible for an incentive opportunity with a target of sixty percent (60%) of his base pay for his service at NCR in 2006 through the Termination Date.

Mr. Hoak’s stock options and restricted stock awards will continue to vest according to their terms through the Termination Date. Provided Mr. Hoak has not accepted full-time employment elsewhere on or before December 31, 2006, restricted stock awards scheduled to vest on December 31, 2006 will vest on that date. Unvested restricted stock awards granted prior to 2006 will be forfeited as of the Termination Date. A pro rata portion of Mr. Hoak’s 2006 grant of performance-based restricted stock will vest at the end of the 3-year performance cycle, assuming performance metrics are met. Mr. Hoak’s stock options granted prior to 2006 will vest in full on the Termination Date, and he will have the remainder of their terms to exercise. Any unvested portion of Mr. Hoak’s options granted in 2006 will be forfeited, and he will have three years to exercise the vested portion.

Mr. Hoak will also be eligible to receive retirement benefits under the NCR Pension Plan, The Retirement Plan for Officers of NCR, the NCR nonqualified excess plan, the Mid-Career Hire Supplemental Pension Plan and the Supplemental Plan for AT&T Transfers.

Mr. Hoak also agreed to certain customary restrictions regarding confidentiality, non-solicitation and non-hire, non-competition and non-disparagement.

Employment Arrangement with Mr. Peter Lieb

NCR entered into a letter agreement (the “Letter Agreement”) effective May 29, 2006 (the “Start Date”) with Peter Lieb regarding Mr. Lieb’s service as Senior Vice President, General Counsel and Secretary of NCR. The following summary of the terms of the Letter Agreement is qualified in its entirety by the full text of the Letter Agreement, a copy of which is attached hereto as Exhibit 10.2 and is hereby incorporated by reference in this Item 1.01.

Under the terms of the Letter Agreement, Mr. Lieb will receive an annual base salary of \$385,000. He will also be entitled to receive an annual bonus under the NCR Management Incentive Plan for Executive Officers (“MIP”), with a target MIP payment of 60% of annual base pay and payout opportunities ranging from 0-200% of target, based on the Company’s actual annual performance, with the 2006 MIP payment pro-rated for the number of calendar months, or parts thereof, during which Mr. Lieb is employed with NCR in 2006. Mr. Lieb will also be eligible for a 10% incentive opportunity based on the achievement of specific diversity metrics in 2006, as determined by the Compensation & Human Resource Committee of the NCR Board of Directors (the “Committee”).

Under the Letter Agreement, Mr. Lieb will receive an equity grant valued at \$1,500,000, with 50% of the equity grant value in NCR stock options and 50% of the equity grant value in performance-based restricted shares. Effective as of the Start Date, NCR granted Mr. Lieb options to acquire approximately 47,423 shares of the NCR's common stock with a Black-Scholes value of \$750,000, subject to the terms of the form of stock option agreement previously approved by the Committee. One-fourth of the options will vest on each of the first four anniversaries of the Start Date, subject to Mr. Lieb's continued employment with NCR, and are exercisable for a ten-year term. In addition, effective as of the Start Date and subject to the terms of the form of performance-based restricted share agreement previously approved by the Committee, NCR granted Mr. Lieb 18,922 performance-based restricted shares with a present value of \$750,000 (the "Targeted Shares"), the vesting of which will be contingent upon NCR's performance over a three-year term, as measured by the Company's net operating profit. Based on NCR's actual performance during such time, Mr. Lieb may earn between 0% and 150% of the Targeted Shares at the end of the three-year period.

Mr. Lieb will also be eligible to participate in NCR's Executive Medical Exam Program, Executive Financial Planning Program, and Change-in-Control Plan. Mr. Lieb will also be eligible for certain travel-related benefits, including use of NCR's aircraft for travel between his current residence and NCR's offices and reimbursement of expenses related to his travel to, from or while in Dayton. NCR will also provide him with a "gross-up" relating to any taxes he incurs as a result of such personal use or expenses. The Letter Agreement also contains customary non-competition, non-solicitation/non-hire and confidentiality provisions.

Item 8.01 Other Events.

On May 30, 2006, the Company issued a press release announcing Mr. Lieb's appointment as Senior Vice President, General Counsel and Secretary. A copy of this press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits:

The following exhibits are filed with this current report on Form 8-K:

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	Letter Agreement with Jonathan Hoak effective May 25, 2006
10.2	Letter Agreement with Peter Lieb effective May 29, 2006
99.1	Press Release dated May 30, 2006

SIGNATURES

Pursuant to the requirements 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: June 1, 2006

By: /s/ Nelson F. Greene

Nelson F. Greene
Assistant Secretary



1700 S. Patterson Blvd.
Dayton, OH 45479-0001

May 24, 2006

Mr. Jonathan Hoak
Law Department
NCR Corporation

Re: Separation of Employment

Dear Jon:

We appreciate your years of service to the company and the many contributions you have made to NCR in your role as Senior Vice President, General Counsel and Secretary. Your hard work over the years on behalf of NCR is greatly appreciated, and I and all of your colleagues wish you the best in your future endeavors.

The purpose of this letter agreement ("Agreement") is to identify the payments and other benefits NCR Corporation ("NCR") will provide to you in connection with your separation from employment with NCR, in exchange for the release and other terms contained in this Agreement. The terms of your separation from NCR are as follows:

1. **Termination Date.** You will remain on active payroll at your current rate of compensation and current benefits until the earlier of (a) December 31, 2006, and (b) the date you accept full-time employment elsewhere (your "Termination Date"). Notwithstanding the foregoing, your role as Senior Vice President, General Counsel and Secretary will end as of May 28, 2006. As of May 29, 2006, except as provided in Section 8.b of this Agreement, you will no longer be considered an executive officer of NCR and shall be deemed to have been removed from any officer or director positions at any NCR affiliates or subsidiaries.
2. **Duties through Termination Date.** From May 29, 2006 through your Termination Date, you will be responsible for special projects as assigned by NCR, which will include serving as Non-Executive Chairman of Prime Technology, and may include, but not be limited to, the following: consultant on matters related to Fox River; consultant to the Chief Executive Officer ("CEO") and others regarding NCR Government Affairs; and consultant on international business matters and other matters as determined by the CEO. From May 29, 2006 through your Termination Date, you will work virtually and the Company will provide you with support as mutually agreed, including continuation of your current remote email and cell phone services. In addition to your duties as an

NCR employee through the Termination Date, you may accept part-time employment outside the Company, subject to NCR's advance, written consent and to compliance with your obligations under Sections 2 and 11-19 of this Agreement, and provided such part-time employment does not materially interfere with the performance of your duties as a NCR employee.

3. **Compensation.** If you accept full-time employment elsewhere on or before December 31, 2006, you will promptly notify NCR of that fact. If you do not accept full-time employment elsewhere on or before December 31, 2006, then on or before January 5, 2007, and subject to signing a release of claims as of December 31, 2006 but otherwise on the same terms as set forth in Section 18 of this Agreement, you will receive a single payment for 52 weeks of separation pay based on your current weekly base pay compensation, and during that 52 week period (through December 31, 2007) NCR will subsidize your COBRA continuation coverage for health care at the rate for active employees. If you do accept full-time employment elsewhere on or before December 31, 2006, then upon your notification to NCR, and subject to signing a release of claims as of a mutually agreeable date but otherwise on the same terms as set forth in Section 18 of this Agreement, you will receive a single payment of 52 weeks of separation pay based on your current weekly base pay compensation, with no COBRA subsidy. If you violate any of the terms and conditions of this Agreement, including the notice requirements, non-competition, non-solicitation, non-hire and non-disparagement clauses, any unpaid separation pay will be cancelled.
4. **Vacation Pay.** You will be paid for any accrued and unused vacation for 2006.
5. **Management Incentive Plan and Business Performance Plan.** You will be eligible for a Management Incentive Plan ("MIP") award for your service in 2006 through May 28. For your service after May 28 through the Termination Date, you will be eligible for a Business Performance Plan ("BPP") award, with an eligible target of 60% of your base pay. Provided you comply with your obligations under Sections 2 and 11-19 of this Agreement, your individual award will be determined based solely on NCR's performance as provided in the MIP and BPP, with no negative discretion applied to you individually. You will not be eligible for a MIP or BPP award for 2007.
6. **Equity Awards.** Since your employment with NCR is terminating after you have reached age 55, your equity awards will receive retirement treatment. Your stock options and restricted stock awards will continue to vest according to their terms through your Termination Date. Provided you have not accepted full-time employment elsewhere on or before December 31, 2006, your restricted stock awards scheduled to vest on December 31, 2006 will vest on that date. Unvested restricted stock awards granted prior to 2006 will be forfeited as of your Termination Date. A pro rata portion of your 2006 grant of performance-based

restricted stock will vest at the end of the 3-year performance cycle, assuming performance metrics are met. Your stock options granted prior to 2006 will vest in full on your Termination Date, and you will have the remainder of their terms to exercise. Any unvested portion of your options granted in 2006 will be forfeited, and you will have three years to exercise the vested portion. After May 28, 2006 you will no longer be subject to NCR black-out period restrictions. However, if you have actual material inside information, you should not exercise options until the information becomes public.

7. **Outplacement.** NCR will provide executive outplacement services commensurate with your level via Right Management Associates for a period up to one year from the date of this letter. You must initiate the outplacement services within six months or the services will be forfeited. Please contact Joe Hoyle to initiate participation in this outplacement program.
8. **Pension Benefits.** Final calculations for all pension benefits described in this Section 8 will be made as of your Termination Date, and NCR will provide you with details of those calculations within a reasonable period of time following such calculations. Both parties will work together in good faith, consistent with the terms of the applicable pension plans, in an attempt to resolve any disagreement regarding such calculations, including exchanging appropriate supporting documentation and information. Notwithstanding any other provision in this Agreement, in the event the parties are unable to resolve any disagreement regarding such calculations, the disagreement will be resolved in accordance with the provisions of Section 19, Arbitration.
 - a. **Qualified Pension.** You are vested in a pension from the NCR Pension Plan and may commence your pension at any time between your Termination Date and age 62. If you commence before age 62, the monthly pension amount will be reduced by 6% for each year of age prior to 62. You may withdraw your cash balance (Pensionplus) benefit at any time after your Termination Date. The cash balance benefit may be rolled over into the NCR Savings Plan (discussed further in Section 9 below), which will give you the opportunity to direct the investment of this amount. If you withdraw the cash balance benefit before age 59-1/2 and do not transfer it to another qualified plan or IRA, it will be subject to a 10% penalty for early withdrawal. Contact the Benefits Center at least 90 days prior to the date you wish to commence your pension. You can access information about your qualified pension on the Fidelity website, <http://netbenefits.fidelity.com>.
 - b. **Nonqualified Pension.** You are vested and entitled to participate in a nonqualified pension from The Retirement Plan for Officers of NCR (SERP II), for your years as an executive officer, December 1, 1993

through your Termination Date. This benefit will commence at the same time as you elect to commence your qualified pension, and will be offset by the amount of your qualified pension. Your SERP II benefit will be calculated by Fidelity and paid by NCR payroll in accordance with the terms of the plan, but no SERP II payments will be made sooner than six (6) months following your Termination Date. At the time you elect to commence your qualified pension, inform the Benefits Center representative that you are also entitled to a SERP II benefit. Since the SERP II calculations are a "back office" process, there is no information on Fidelity's website about this benefit. Please contact John Campanella at x54510 for information about your SERP II benefit.

- c. **Non-Qualified Excess Plan.** You are vested in the NCR nonqualified excess plan. However, benefits from this plan are offset against the SERP II benefit, so no additional benefits will be paid from this plan.
 - d. **Mid-Career Hire Supplemental Pension Plan.** You are vested in the Mid-Career Hire Supplemental Pension Plan. Benefits from this plan are paid in addition to the SERP II benefit, and are paid at the same time as the SERP II benefit.
 - e. **Supplemental Plan for AT&T Transfers.** This plan pays a benefit only if the hypothetical pension benefits from AT&T, assuming employment with AT&T through the Termination Date, exceed the benefits actually received from NCR. Actuarial calculations in connection with the proxy have shown that the NCR benefits exceed the hypothetical benefits from the AT&T Transfer Plan, and therefore no additional benefit is payable from this plan. A final calculation will be prepared as of the Termination Date.
9. **Savings Plan.** You are vested in your Savings Plan account. You may take a distribution from the Savings Plan at any time after your Termination Date. If you withdraw your Savings Plan benefit before age 59-1/2 and do not transfer it to another qualified plan or an IRA, it will be subject to a 10% penalty tax for early withdrawal. To initiate a distribution or obtain information, contact the NCR Benefits Center at 1-800-245-9035. You may also access your Savings Plan account online by visiting <http://netbenefits.fidelity.com>.
 10. **Other Benefits.** If you currently have dental or vision coverage or a health care spending account, you may continue these coverages at your expense through COBRA. Your life and AD&D insurance and any dependent coverage will end on your Termination Date. You will have 31 days from your Termination Date to either convert these coverages to an individual policy or convert to a portability policy. Contact the Benefits Center if you wish to continue any of your life or AD&D coverages.

11. **Company Property.** In accordance with your existing and continuing obligations to NCR, you agree to return to NCR all NCR property and copies thereof, including business plans and other property which you received or prepared or helped to prepare in connection with your employment with NCR. You agree to return all such property on or before May 28, 2006, except that property that is reasonably necessary for you to perform your duties under Section 2, which you agree to return no later than your Termination Date.
12. **Proprietary Company Information.** You affirm your obligation to keep all "Proprietary Company Information" confidential and not to disclose it to any third party in the future, subject to any obligation to comply with legal process. As used in this Agreement, the term "Proprietary Company Information" includes confidential, technical, marketing, business, financial or other information related to NCR or any of its subsidiaries or affiliates, not publicly available. Proprietary Company Information does not include information which you possessed before your employment with NCR, information that is in the public domain and information you lawfully receive(d) from a third party not subject to an obligation of non-disclosure.
13. **Confidentiality.** You agree to keep any portions of this Agreement not publicly disclosed by NCR confidential and not to disclose its contents to anyone except your immediate family, your financial consultant, or your attorney, provided that such persons agree in advance to keep said information confidential and not disclose it to others.
14. **Non-Solicitation and Non-Hire.** In consideration of NCR's payment of the severance benefits in this Agreement, you agree that, for a period of eighteen months commencing on your Termination Date, you will not, directly or indirectly, recruit, hire or solicit any exempt employee of NCR, its subsidiaries or affiliates, or induce any exempt employee of NCR, its subsidiaries or affiliates to terminate their employment with or otherwise cease their relationship with NCR, its subsidiaries or affiliates. However, NCR acknowledges that you are not precluded from hiring any exempt employee of NCR, its subsidiaries or affiliates who (i) responds to any public advertisement placed by your next or any subsequent employer; or (ii) has been terminated by NCR, its subsidiaries or affiliates prior to commencement of employment discussions between your next or any subsequent employer and the employee, so long as you have not otherwise violated the terms of this provision.
15. **Non-Competition.** Except as otherwise provided in this paragraph, in consideration of NCR's payment of the severance benefits in this Agreement, you

agree that for a period of eighteen months commencing on your Termination Date, without the prior written consent of the Chief Executive Officer of NCR, you will not render services directly or indirectly to, or own any controlling interest in, any Competing Organization. "Competing Organization" means an organization listed on Schedule A, as well as any subsidiaries or affiliates of such companies that become stand-alone companies as a result of a spin-off, IPO or similar restructuring transaction, and any other person or organization which is engaged in or about to become engaged in research on or development, production, marketing, leasing, selling or servicing of a product, process, system or service which is the same or similar to or competes with a product, process, system or service manufactured, sold, serviced or otherwise provided by NCR or its subsidiaries or affiliates to its customers. Notwithstanding the foregoing, you and NCR agree that, from September 1, 2006, the provisions of this Agreement will not be deemed to restrict you from providing legal services to any organization, whether as an employee, consultant or outside counsel, provided you otherwise comply with your obligations under Sections 11-19 of this Agreement. You understand that if you breach this section, NCR may sustain irreparable injury and may not have an adequate remedy at law. As a result, you agree that in the event of your breach of this section, NCR may, in addition to any other remedies available to it, bring an action or actions for injunction, specific performance, or both, and have entered a temporary restraining order, preliminary or permanent injunction, or order compelling specific performance.

16. **Nondisparagement.** In consideration of NCR's payment of the severance benefits in this Agreement, you agree, on a permanent basis, not to speak in a disparaging fashion about NCR, members of the NCR Board of Directors, members of NCR management, or NCR's products, business strategies, services, or other related matters. NCR agrees, on a permanent basis, that its directors and executive officers will not speak in a disparaging fashion regarding you, *provided* that the foregoing shall not prohibit NCR, its directors or executive officers or you from making truthful statements when required by order of a court or other body having jurisdiction, or as otherwise may be required by law or under an agreement entered into in connection with pending or threatened litigation pursuant to which the party receiving such information agrees to keep such information confidential.
17. **Waiver of Rights.** You acknowledge that there are various state, local and federal laws that prohibit employment discrimination on a number of bases including, but not limited to, age, sex, race, color, national origin, religion, disability, sexual orientation or veteran status and that these laws are enforced through the Equal Employment Opportunity Commission, Department of Labor and State or Local Human Rights agencies. Such laws include, without limitation, Title VII of the Civil Rights Act of 1964 as amended, 42 U.S.C. Sec. 2000 et. seq.; the Age Discrimination in Employment Act, 29 U.S.C. Sec. 621 et. seq.; the Americans with Disabilities Act, 42 U.S.C. Sec. 12101; the Employee Retirement

Income Security Act, as amended 29 U.S.C. Sec. 1001 et. seq.; and 42 U.S.C. Sec. 1981, and other state and local human or civil rights laws as well as other statutes which regulate employment; and the common law of contracts and torts. In consideration of this Agreement, you hereby waive and release any rights you may have as of the date of your execution of this Agreement under these or any other laws with respect to your employment and termination of employment with NCR and acknowledge that based on your knowledge as of the date of your execution of this Agreement, NCR has not (a) discriminated against you, (b) breached any contract with you, (c) committed any civil wrong (tort) against you, or (d) otherwise acted unlawfully towards you.

18. **Release of Claims.** You, on behalf of yourself, your heirs, executors, administrators, successors and assigns, release and discharge NCR and its successors, assigns, subsidiaries, affiliates, directors, officers, representatives, agents and employees ("Releasees") from any and all claims, (including claims for attorney's fees and costs), charges, actions and causes of action with respect to, or arising out of, your employment or termination of employment with NCR, as well as from all claims for personal injury or other causes of action, actual or potential, to the date of your execution of this Agreement. This includes, but is not limited to, claims arising under federal, state or local laws prohibiting age, sex, race or any other forms of discrimination or claims growing out of any legal restrictions on NCR's right to terminate its employees. You represent that you have not filed any charge or lawsuit against NCR or any Releasee with any governmental agency or court and that you will not institute any actions against NCR or any Releasee for any reason, except that you may file a charge with the Equal Employment Opportunity Commission concerning claims of discrimination and you may participate in any manner in an investigation, hearing or proceeding. However, you waive your right to recover any damages or other relief in any claim or suit brought by you or the EEOC or any other federal, state or local agency on your behalf, under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act (ADEA), the Americans with Disabilities Act (ADA), the Equal Pay Act, or any other federal, state or municipal discrimination law. If you breach this paragraph, you understand that you will be liable for all expenses, including your costs and reasonable attorney's fees. NCR, on behalf of itself and its directors, officers, successors and assigns, releases and discharges you from any and all claims (including claims for attorney's fees and costs), charges, actions and causes of action with respect to, or arising out of, your employment or termination of employment with NCR and of which NCR's Directors or executive officers have actual knowledge. This paragraph is not intended to limit you or NCR from instituting legal action for the sole purpose of enforcing this Agreement. Nothing in this paragraph is intended to release claims you may have for defense and/or indemnification by NCR or its insurers with respect to claims asserted against you in your capacity as an officer or director.

19. **Arbitration.** Any controversy or claim related in any way to this agreement, or to your employment relationship with NCR (including, but not limited to, any claim of fraud or misrepresentation), shall be resolved by arbitration pursuant to this paragraph and the then current rules and supervision of the American Arbitration Association ("AAA"). The arbitration shall be held in Dayton, Ohio before an arbitrator through AAA who is an attorney knowledgeable of employment law. The arbitrator's decision and award shall be final and binding and may be entered in any court having jurisdiction thereof. The arbitrator shall not have the power to award punitive or exemplary damages. Issues of arbitrability shall be determined in accordance with the federal substantive and procedural laws relating to arbitration; all other aspects shall be interpreted in accordance with the laws of the State of Ohio. Each party shall bear its own attorney's fees associated with the arbitration and other costs and expenses of the arbitration shall be borne as provided by the rules of the AAA. If any portion of this paragraph is held to be unenforceable, it shall be severed and shall not affect either the duty to arbitrate or any other part of this paragraph.
20. **Revocability.** You understand that, pursuant to the Older Workers Benefit Protection Act of 1990, you have the right to consult with an attorney before signing this Agreement, you have 21 days to consider NCR's offer before signing any agreement with respect thereto, and you may revoke any such agreement within seven (7) calendar days after signing it. Revocation must be made by delivering a written notice of revocation to Joe Hoyle, NCR Corporation, 1700 S. Patterson Blvd., Dayton, Ohio 45479. For this revocation to be effective, written notice must be postmarked no later than the close of business on the seventh day after you sign this letter agreement. If you revoke this Agreement, you will not receive any of the benefits described herein.
21. **Governing Law.** This Agreement shall be governed by the laws of the State of Ohio. If any part of this Agreement is held to be unenforceable, the parties intend for the remaining portion of this letter agreement to be given full force and effect.
22. **Entire Agreement.** This Agreement contains the entire agreement between NCR and you with respect to your termination of employment with NCR and fully supersedes any and all prior agreements or understandings pertaining to the subject matter hereof. The terms of any stock option or benefit plans in which you are a participant will govern the payment of benefits from the respective plans. You represent and acknowledge that in signing this agreement you have not relied on any representation or statement not set forth herein made by NCR or any of NCR's agents, representatives or attorneys with regard to the subject matter of this letter agreement. Any waiver or modification of the terms of this agreement must be in writing and signed by you and NCR.

23. **Miscellaneous.** This Agreement is personal to you and without the prior written consent of NCR shall not be assignable by you other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon NCR and its successors. This Agreement may be amended, modified or changed only by a written instrument executed by you and NCR. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. Notwithstanding any other provisions of this Agreement, NCR may withhold from any amounts payable under this Agreement, or any other benefits received pursuant hereto, such minimum federal, state and/or local taxes as shall be required to be withheld under any applicable law or regulation.
24. **Acknowledgment.** By signing this Agreement, you state that:
- (a) **You have read it and have had sufficient time to consider its terms;**
 - (b) **You understand it and know that you are giving up important rights;**
 - (c) **You agree with everything in it;**
 - (d) **You have been advised of and are aware of your right to consult an attorney before signing it.**
 - (e) **You have signed it knowingly and voluntarily.**

If you are in agreement with this letter agreement, please sign below.

Sincerely,

William Nuti
President and Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Jonathan Hoak

Jonathan Hoak

Date: May 25, 2006



1700 South Patterson Boulevard
Dayton, Ohio 45479

PERSONAL AND CONFIDENTIAL

May 24, 2006

Mr. Peter Lieb
1020 Constable Drive
Mamaroneck, NY 10543

Dear Peter:

I am delighted to extend to you an offer of employment with NCR Corporation as Senior Vice President, General Counsel and Secretary, with an anticipated Start Date of May 29, 2006 ("Start Date"). As you know, this offer is contingent on the approval of NCR's Board of Directors. This position will be based in Dayton, and you will report directly to me and be a member of the NCR leadership team. Other details of the offer are as set forth below.

Annual Base Salary — Your annual base salary will be Three Hundred Eighty-five Thousand Dollars (\$385,000) per year, commencing as of your effective Start Date. You will be paid on a bi-weekly pay schedule, one week in arrears.

Incentive Award — You will be eligible to participate in NCR Corporation's Management Incentive Plan for Executive Officers ("MIP"), which provides year-end incentive awards based on the success of NCR Corporation in meeting annual performance objectives. For 2006, which has a payout in March 2007, you will be eligible for a target incentive award of 60% of your base salary, with a maximum potential payout of 2x target, pro-rated for the number of calendar months, or parts thereof, during which you are employed with NCR in 2006. You will also be eligible for a 10% incentive opportunity based on the achievement of specific diversity metrics in 2006, as determined by the Compensation & Human Resource Committee of the NCR Board of Directors.

Your annual performance and compensation, including any future equity awards, will be assessed and determined in Q1 of each year by the Compensation & Human Resource Committee, and are subject to approval by the NCR Board of Directors.

Hiring Grant — You will receive an equity grant with a value of \$1,500,000, which will be delivered as follows: 50% in Performance-based Restricted Shares and 50% in NCR Corporation Stock Options. Additional details of the grant are as follows:

Performance-based restricted shares: Effective as of your Start Date, NCR Corporation will grant you performance-based restricted shares with a value of \$750,000. The actual number of shares will be determined by taking the value of the award, or \$750,000, and dividing it by the average of the high and low prices of NCR stock for each trading day during the thirty (30) calendar days preceding, but not including, your Start Date. The performance-based restricted shares will be subject to standard terms and conditions determined by the NCR Corporation Compensation & Human Resource Committee. The performance-based restricted shares are based on NCR Corporation's performance over a 3-year term, as determined through the achievement of NCR Corporation's cumulative

net operating profit. Based on actual company performance, participants can earn between 0% and 150% of the targeted number of shares at the end of the 3-year cumulative time period, provided you are still employed by NCR at that time.

Stock Options: Effective as of your Start Date, NCR Corporation will grant you nonqualified options to purchase shares of NCR Corporation common stock (the "Options"), with a value of \$750,000. The actual number of options will be determined by taking the value of the award, or \$750,000, and dividing it by the Black-Scholes value, or 39.9%, of the average of the high and low prices of NCR stock for each trading day during the thirty (30) calendar days preceding, but not including, your Start Date. The options will be subject to standard terms and conditions determined by the NCR Corporation Compensation & Human Resource Committee. The options will vest in 25% increments on each of the first four anniversaries of the Start Date, subject to your continued employment with the Company on each such anniversary date, and will have an expiration of 10-years.

Vacation – In recognition of your role and prior experience, you will be eligible for four weeks of paid vacation.

NCR Benefits – On your first day of employment with NCR, you will automatically receive core benefit coverage for yourself. NCR core benefit coverage includes: health care coverage, dental care coverage, short-term and long-term disability coverage, life insurance coverage, and accidental death and dismemberment insurance coverage. You will have the opportunity to design your own personalized benefit elections through the company's flexible benefits program. Upon receipt of your signed offer letter and employment documentation, NCR will establish your payroll record which notifies the NCR Benefits Service Center to send a Benefits New Hire Package to your home address. You will have thirty (30) days from the date your benefits package is mailed to make your benefit elections. You also have this same thirty (30) day period to enroll eligible dependents, whose coverage will be made retroactive to your Start Date. Open enrollment is conducted in the Fall of each calendar year. At that time, you will have an opportunity to make benefits elections for the following year.

Additionally, you will be eligible to participate in the NCR Savings Plan (401(k)) and the NCR Employee Stock Purchase Plan. Information about each program will be provided in the Benefits New Hire Package.

Subject to applicable NCR policies, you may use the corporate aircraft for travel between your current residence and the Company's offices in Dayton, Ohio. In addition, expenses related to your travel to, from or while in Dayton, Ohio will be reimbursed by NCR. In the event and to the extent such use or expenses are subsequently deemed for federal or state income tax purposes to be personal use or expenses, NCR will provide you a sufficient "gross-up" payment to cover all federal and state income taxes on such personal use, payable by NCR upon notice of the payment and amount due, no later than the day such taxes are due. It is intended that this be a full gross-up and that you have no after tax costs for the paid or reimbursed expenses and the gross-up thereon.

Executive Medical Exam Program – You will be eligible to participate in the Executive Medical Exam Program, which provides up to \$5,000 on an annual basis for progressive, diagnostic analysis by NCR Corporation's provider of choice. Additional information and specifics will be provided following your Start Date. This program is subject to amendment or termination by NCR.

Executive Financial Planning Program – You will be eligible to receive an annual payment of \$12,000, less all applicable taxes, toward your individual financial planning needs. NCR Corporation does not require you to utilize a specific financial institution or individual financial planner and is not liable for any events or circumstances related to the satisfaction or financial consequence of this plan. Prior to disbursement of the pre-tax amount of \$12,000, you will be required to sign a release statement provided by NCR Corporation confirming this release of responsibility and accountability. This program is subject to amendment or termination by NCR.

Change in Control – Subject to approval by the Compensation and Human Resource Committee of the NCR Board of Directors, you are eligible to participate in the NCR Corporation Change in Control Severance Plan (“CIC Plan”) effective as of your Start Date. The plan is subject to amendment or termination by NCR.

Non-Competition – By signing this Agreement, you agree that during your employment with NCR and for an eighteen (18) month period after termination of employment for any reason (the “Restricted Period”), you will not yourself or through others, without the prior written consent of the Board, render services directly or indirectly to any Competing Organization involving the development, manufacture, marketing, advertising or services of any product, process, system or service of NCR’s during the last three years of your NCR employment. For purposes of this Agreement, “Competing Organization” means any organization identified by the NCR CEO each year for purposes of non-competition provisions in NCR benefit plans that refer to “Competing Organizations”, as well as any subsidiaries or affiliates of such companies that become stand-alone companies as a result of a spin-off, IPO or similar restructuring transaction. The current list of Competing Organizations is set forth in Attachment A to this letter.

Non-Solicitation/Non-Hire – By signing this Agreement, you agree that during the Restricted Period, you will not yourself or through others, without the prior written consent of the Board of Directors of NCR, directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of NCR, its subsidiaries or affiliates to terminate their employment with or otherwise cease their relationship with NCR, its subsidiaries or affiliates.

Confidentiality and Non-Disclosure – You agree that during the term of your employment with NCR and thereafter, you will not, except as you deem necessary in good faith discretion to perform your duties hereunder or as required by applicable law, disclose to others or use, whether directly or indirectly, any Confidential Information regarding NCR. “Confidential Information” shall mean information about NCR, its subsidiaries and affiliates, and their respective clients and customers that is not available to the general public or generally known in the industry and that was learned by you in the course of your employment by NCR, including (without limitation) (i) any proprietary knowledge, trade secrets, ideas, processes, formulas, cell lines, sequences, developments, designs, assays and techniques, data, formulae, and client and customer lists and all papers, resumes, records (including computer records), (ii) information

regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers, (iii) information regarding the skills and compensation of other employees NCR, its subsidiaries and affiliates, and (iv) the documents containing such Confidential Information; provided, however, that any provision in any grant or agreement that limits confidential disclosure shall not apply to the extent such information is publicly filed with the Securities and Exchange Commission (the "SEC"). You acknowledge that such Confidential Information is specialized, unique in nature and of great value to NCR, and that such information gives NCR a competitive advantage. Upon the termination of your employment for any reason whatsoever, you shall promptly deliver to NCR all documents, slides, computer tapes and disks (and all copies thereof) containing any Confidential Information.

Breach of Restrictive Covenants – You acknowledge and agree that the time, territory and scope of the post-employment restrictive covenants in this Agreement (the non-competition, non-solicitation, non-hire, confidentiality and non-disclosure covenants are hereby collectively referred to as the "Restrictive Covenants") are reasonable and necessary for protection of NCR's legitimate business interests, and you agree not to challenge the reasonableness of such restrictions. You acknowledge that you have had a full and fair opportunity to be represented by counsel in this matter and to consider these restrictions prior to your execution of this Agreement. You further acknowledge and agree that you have received sufficient and valuable consideration in exchange for your agreement to the Restrictive Covenants, including but not limited to your salary, equity awards and benefits under this Agreement, and all other consideration provided to you under this Agreement. You further acknowledge and agree that if you breach the Restrictive Covenants, NCR will sustain irreparable injury and may not have an adequate remedy at law. As a result, you agree that in the event of your breach of any of the Restrictive Covenants, NCR may, in addition to its other remedies, bring an action or actions for injunction, specific performance, or both, and have entered a temporary restraining order, preliminary or permanent injunction, or order compelling specific performance.

Arbitration – Any controversy or claim related in any way to this letter or your employment with NCR (including, but not limited to, any claim of fraud or misrepresentation or any claim with regard to the CIC Plan), shall be resolved by arbitration on a de novo standard pursuant to this paragraph and the then current rules of the American Arbitration Association. The arbitration shall be held in Dayton, Ohio, before an arbitrator who is an attorney knowledgeable of employment law. The arbitrator's decision and award shall be final and binding and may be entered in any court having jurisdiction thereof. The arbitrator shall not have the power to award punitive or exemplary damages. Issues of arbitrability shall be determined in accordance with the federal substantive and procedural laws relating to arbitration; all other aspects shall be interpreted in accordance with the laws of the State of Ohio. Each party shall bear its own attorneys' fees associated with the arbitration and other costs and expenses of the arbitration shall be borne as provided by the rules of the American Arbitration Association; provided, however, that if you are the prevailing party, you shall be entitled to reimbursement for reasonable attorneys' fees and expenses and arbitration expenses

incurred in connection with the dispute. If any portion of this paragraph is held to be unenforceable, it shall be severed and shall not affect either the duty to arbitrate or any other part of this paragraph.

This offer of employment is contingent on your agreement to the Conditions of Employment outlined in Attachment B, including the requirement of a negative drug screen. By signing this letter, you agree to such Conditions.

This Agreement reflects the entire agreement regarding the terms and conditions of your employment. Accordingly, it supersedes and completely replaces any prior oral or written communication on this subject. This Agreement is not an employment contract, and should not be construed or interpreted as containing any guarantee of continued employment or employment for a specific term. The employment relationship at NCR is by mutual consent (employment-at-will), and the Company or you may discontinue your employment with or without cause at any time and for any reason or no reason.

Peter, I am excited about the contributions, experience and knowledge you can bring to NCR. We are positioned to be extremely successful and I look forward to you joining my senior management team and contributing to that success.

Sincerely

William R. Nuti,
President & Chief Executive Officer

Agreed and accepted this 25th day of May, 2006.

/s/ Peter Lieb

Peter Lieb

**ATTACHMENT B
CONDITIONS OF EMPLOYMENT**

NCR requires employment candidates to successfully complete various employment documentation and processes. This offer of employment is conditioned upon your satisfying and agreeing to the criteria which follow: drug screening test; education and employment verification; U.S. employment eligibility; NCR consent to collection of personal data; and non-competition and protection of trade secrets. You assume any and all risks associated with terminating any prior or current employment, or making any financial or personal commitments based upon NCR's conditional offer.

1. Drug Screening Test:

This offer of employment is conditioned upon your taking a urine drug screen test and our receipt of negative results from that test. By accepting this offer and these conditions, you are giving NCR permission to release the results to NCR designated officials.

2. Education and Employment Verification:

This offer of employment is conditioned upon the completion of full reference checks, verification of your education and employment history, and our satisfaction with the results. Depending on job responsibilities, some positions may require that other aspects of your background be verified, such as criminal convictions and driving record.

3. Employment Eligibility:

NCR can only hire employees if they are legally entitled to work and remain in the country of the job location. In the United States, NCR abides by the Immigration and Control Act of 1986.

4. NCR Consent to Collection of Personal Data:

As a condition of employment you must read, understand and agree to the *NCR Consent to Collection of Personal Data*. The *NCR Consent to Collection of Personal Data* appraises you of NCR personal data collection practices. This document will be provided to you by your Human Resource Consultant.

5. Non-competition and Protection of Trade Secrets:

By accepting and signing NCR's offer of employment, you certify to NCR that you are not subject to a non-competition agreement with any company which would preclude or restrict you from performing the NCR position being offered in this letter. We also advise you of NCR's strong policy of respecting the intellectual property rights of other companies. You should not bring with you to your NCR position any documents or materials designated as confidential, proprietary or trade secret by another company, nor in any other way disclose trade secret information while employed by NCR.



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into Relationships

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NEWS RELEASE

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For Release on May 30, 2006

NCR Names Peter Lieb as Senior Vice President and General Counsel

DAYTON, Ohio – NCR Corporation (NYSE: NCR) today announced the appointment of Peter Lieb as senior vice president, general counsel and secretary of the company.

Lieb reports to NCR President and Chief Executive Officer Bill Nuti.

“Peter’s experience in building a strong technology-oriented intellectual property portfolio combined with his contemporary approach to ethics and compliance programs make him a great addition to our team,” said Nuti. “Moreover, Peter has an exceptional litigation background while possessing a good track record in areas such as contract management, mergers and acquisitions, and building efficient shared service capability. As a result, he will be a fine leader for the future of NCR’s law function.”

Lieb was senior vice president and general counsel at Symbol Technologies where he was a member of the executive committee and provided counsel on all matters affecting the company.

Prior to joining Symbol in 2003, Lieb served in various senior legal positions, including vice president and deputy general counsel, at International Paper Company and, before that, was assistant general counsel at GTE Service Corporation. His experience also includes being a partner in the Jones, Day, Reavis & Pogue law firm, as well as serving in the United States Attorney’s Office.

Early in his legal career, Lieb was a law clerk to U.S. Supreme Court Chief Justice Warren Burger.

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Lieb succeeds Jon Hoak who will continue to work with NCR on a variety of initiatives.

“Coming in, Peter has a solid foundation from which to build at NCR, owing to Jon’s years of service to our company,” said Nuti. “We thank Jon for his hard work and laying the groundwork for further progress in the law function.”

Lieb holds a law degree from the University of Michigan and a bachelor’s degree from Yale College.

About NCR Corporation

NCR Corporation (NYSE: NCR) is a leading global technology company helping businesses build stronger relationships with their customers. NCR’s Teradata® data warehouses, ATMs, retail systems, self-service solutions and IT services provide Relationship Technology™ that maximizes the value of customer interactions and helps organizations create a stronger competitive position. Based in Dayton, Ohio, NCR (www.ncr.com) employs approximately 28,400 people worldwide.

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