

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): July 27, 2005

**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))

**Item 1.01 Entry Into A Material Definitive Agreement.**

**Executive Limited Perquisite Program**

On July 27, 2005, the Compensation and Human Resource Committee (the "Committee") of the Board of Directors of NCR Corporation ("NCR" or the "Company") formalized the Company's perquisite program for executive officers. Pursuant to this program, NCR's executive officers may receive limited perquisites, all of which must be approved by the Committee and NCR's Chief Executive Officer ("CEO"). Under this program, the CEO and two other executive officers are permitted to use the Company's corporate aircraft on a limited basis for personal travel, the Company provides one executive with an apartment and rental car in connection with his regular travel to an NCR business location, all directors and executive officers who are using the corporate aircraft for business purposes are permitted to have family and friends accompany them on such business travel, and limited home security monitoring and consulting services are provided by the Company to some of its executive officers. In addition, this program permits the Company to provide tax gross-up payments to executives for personal imputed income as a result of certain perquisites. The Company's policies provide that the value of any personal use of corporate aircraft will be imputed to the employee's personal income unless there is a specific agreement that provides otherwise.

**Item 1.01 Entry Into A Material Definitive Agreement.**

**Employment Agreement with New President and Chief Executive Officer**

(a) NCR and William Nuti ("Nuti") entered into a letter agreement (the "Agreement") dated as of July 29, 2005 regarding Nuti's service as the President and Chief Executive Officer of NCR from and after August 7, 2005 (the "Start Date"). A copy of the Agreement is filed with this report as Exhibit 10.1 and is incorporated herein by reference.

(b) The material terms and conditions of the Agreement are set forth in the document entitled "Summary of Nuti Employment Agreement" which is filed with this report as Exhibit 99.1 (and qualified in its entirety by reference to the Agreement filed as Exhibit 10.1) and incorporated herein by reference, and include without limitation Nuti's responsibilities as President and CEO of NCR, nomination as a member of the Board of Directors of NCR, annual base salary, incentive awards, stock options, restricted stock, future equity awards, NCR benefits, relocation, travel expenses and benefits, vacation, severance, non-competition and non-solicitation, confidentiality and arbitration.

**Expiration of Employment Agreement with Mr. Ringler**

In connection with Mr. Nuti's appointment as the Company's new President and CEO, James M. Ringler will no longer serve as NCR's President and Interim CEO. As a result, the employment letter agreement, dated July 11, 2005, between the Company and Mr. Ringler will expire on its own terms as of the Start Date.

**Item 5.02 Departure of Directors of Principal Officers; Election of Directors; Appointment of Principal Officers.**

(b) Following the Start Date, James M. Ringler, who has served as NCR's President and Interim Chief Executive Officer since March 30, 2005 and as a member of NCR's Board of Directors since November 1, 2003, will continue to serve as a director of NCR and as Chairman of the Board of Directors of NCR.

(c) (1) On July 29, 2005, Nuti accepted the NCR offer to serve as NCR's President and Chief Executive Officer, effective as of the Start Date.

(2) Nuti, age 41, was appointed President, Chief Executive Officer and director of Symbol Technologies, Inc. ("Symbol") in December 2003. Prior to Nuti's appointment as Chief Executive Officer, he served as President and Chief Operating Officer from July 2002 through December 2003. Nuti joined Symbol from Cisco Systems, Inc., where he was Senior Vice President of U.S. Theatre and Worldwide Service Provider Operations, responsible for Cisco's field operations, systems engineering, professional services and marketing for the global service provider arena. In his 10-year career at Cisco, Nuti served as President of Europe, Middle East and Africa operations, Senior Vice President for Worldwide Service Provider operations, President of operations and corporate Vice President for Cisco Asia Pacific Region and in various sales management positions. Other than the Agreement, there is no arrangement or understanding between Nuti and any other persons pursuant to which he was selected as an officer of NCR. The information required by Item 404(a) of Regulation S-K is not determined or is unavailable at the time of this filing.

(3) The material terms and conditions of the Agreement are set forth in the document entitled "Summary of Nuti Employment Agreement" which is filed with this report as Exhibit 99.1 (and qualified in its entirety by reference to the Agreement filed as Exhibit 10.1) and incorporated herein by reference, and include without limitation Nuti's responsibilities as President and Chief Executive Officer of NCR, nomination as a member of the Board of Directors of NCR, annual base salary, incentive awards, stock options, restricted stock, future equity awards, NCR benefits, relocation expenses, travel expenses and benefits, vacation, severance, non-competition and non-solicitation, confidentiality and arbitration. Other than the Agreement, there is no arrangement or understanding between Nuti and any other persons pursuant to which he was selected as an officer.

(d)

(1) On July 29, 2005, Nuti accepted the offer of the Company's Board of Directors to serve as a director of the Company, effective as of the Start Date.

(2) Other than the Agreement, there is no arrangement or understanding between Nuti and any other persons pursuant to which he was selected as a director.

(3) Nuti has not yet been assigned to any committee of the Company's Board of Directors.

(4) The information required by Item 404(a) of Regulation S-K is not determined or is unavailable at the time of this filing.

**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</u>
10.1	Employment Agreement with William Nuti, dated July 29, 2005
99.1	Summary of Nuti Employment Agreement
99.2	Press release dated August 1, 2005

**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: August 2, 2005

By: /s/ Jonathan S. Hoak

Jonathan S. Hoak

Senior Vice President, General Counsel and Secretary



Transforming Transactions  
into Relationships

1700 South Patterson Boulevard  
Dayton, OH 45479

July 29, 2005

Mr. William R. Nuti

Dear Bill:

Upon execution by you, this letter will constitute your agreement (this "Agreement") with NCR Corporation ("NCR" or the "Company") regarding your service as the President and Chief Executive Officer ("CEO") of the Company during the period from and after August 7, 2005 (or as soon as practicable thereafter) (the "Start Date"). The period of your employment with the Company is referred to herein as the "Engagement."

**Nature of the Engagement** – During the Engagement, you will have the normal duties, responsibilities and authority attendant to the position of President and CEO of the Company, subject to the power of NCR's Board of Directors (the "Board") to expand or limit such duties, responsibilities and authority from time to time, but in all events you shall have the duties, responsibilities and authority commensurate with the position of a CEO of a public entity of similar capitalization from time to time. The Company will appoint you to serve as a member of the Board, and you agree to serve as a member of the Board for no additional compensation.

**Annual Base Salary** – As of the Start Date, you will be paid an annual base salary of \$1,000,000. Your base salary will be reviewed by the Compensation and Human Resource Committee of the Board (the "Compensation Committee") from time to time for increase, but not decrease. Your base salary will be paid in accordance with the Company's usual payroll practices, and, if you elect, your paycheck will be automatically deposited in your bank account via our convenient Easipay plan.

**Incentive Awards** – You will be eligible to participate in the Management Incentive Plan for Executive Officers ("MIP"), which provides year-end incentive awards based on the success of NCR in meeting annual performance objectives. Your targeted incentive opportunity is 100% of your annual base salary (\$1,000,000) (the "Target MIP"), and can range from 0% if the target objective is not met to a maximum award of 200% (\$2,000,000) of your annual base salary. For calendar year 2005, your MIP award will be a guaranteed minimum of \$500,000 (subject to upward adjustment at the discretion of the Board).

**Stock Options** – Effective as of the Start Date, the Company will grant you nonqualified options to purchase 650,000 shares of NCR common stock (the “Options”).

The Options will be subject to the existing standard terms and conditions determined by the Committee, and will include substantially identical restrictive covenants and penalty criteria as set forth in this Agreement, a ten-year term, and will vest as follows (except as described below):

(i) 250,000 of the Options (the “Incentive 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

(ii) 400,000 of the Options (the “Performance Options”) have the potential to fully vest on December 31, 2008, subject to your continued employment with the Company on such date, and subject to the achievement of the performance goals set forth on Schedule A to this Agreement (the “Performance Goals”) over the 12 quarterly financial reporting periods beginning January 1, 2006 and ending December 31, 2008 (the “Performance Period”).

The Incentive Options shall fully vest and shall immediately become exercisable upon termination of your employment (i) due to your death or Permanent Disability (as defined below), (ii) by the Company without “Cause” (as defined in the CIC Plan) (and no provision in any equity grant or benefit program with regard to misconduct shall apply except to the extent “Cause” exists under this Agreement), (iii) by you for “Good Reason” (as defined below), or (iv) due to the failure of a successor to the Company to assume or replace the Incentive Options with equivalent value new stock options upon a Change in Control (as defined in the CIC Plan).

As indicated above, the Performance Options shall vest based on the extent to which the Performance Goals are met as of the end of the Performance Period, as follows (for purposes of clarity, the “Number of Performance Options Vested” below shall not be construed to be additive, and is set forth on a cumulative basis):

<u>Level of Achievement of Performance Goal</u>	<u>Percentage of Performance Options Vested</u>	<u>Number of Performance Options Vested</u>
Below Threshold	0%	0
Threshold	50%	200,000
Target I	75%	300,000
Target II	100%	400,000

On a Change in Control (as defined in the CIC Plan), you shall be treated with regard to the Performance Options in the manner provided in the CIC Plan, but no less favorably than as provided therein as of the Start Date.

Once vested, the Options will be exercisable over the full ten-year term (subject to the termination provisions set forth in the terms and conditions of the Option grant); provided, however, that

upon your termination of employment other than for Cause, your vested Options will remain exercisable for the lesser of (i) one year following your termination of employment or (ii) the remainder of the term of such Options.

The grant price of the Options will be equal to the fair market value of NCR common stock on the Start Date.

Salomon Smith Barney (“SSB”) is the record-keeper for NCR’s option plan, which is administered electronically. Your stock option agreement and a record of the Options will be maintained on the SSB website. You will need to accept the stock option agreement on-line before you can exercise the Options.

You agree to execute the Company’s standard form of stock option agreement with respect to the Options (the “Stock Option Agreements”), subject, however, to conforming the definitions of “cause” and “good reason” in the Stock Option Agreement with respect to the Incentive Options to the definitions hereunder and as otherwise provided herein.

**Restricted Stock** – Effective as of the Start Date, the Company will grant you 85,000 shares of restricted stock (the “Restricted Stock”). The Restricted Stock shall vest and any restrictions thereon shall lapse in 25% increments on each of the first four anniversaries of the Start Date; provided, however, that any unvested Restricted Stock shall fully vest and any restrictions thereon shall lapse upon termination of your employment (i) due to your death or Permanent Disability (as defined below), (ii) by the Company without “Cause” (as defined in the CIC Plan), (iii) by you for “Good Reason” (as defined below) or (iv) due to the failure of a successor to the Company to assume or replace the Restricted Stock with equivalent value new Restricted Stock upon a Change in Control (as defined below).

You agree to execute the Company’s standard form of restricted stock agreement with respect to the Restricted Stock (the “Restricted Stock Agreement”), subject, however, to conforming the definitions of “cause” and “good reason” in the Restricted Stock Agreement to the definitions hereunder and which Restricted Stock Agreement will include substantially identical restrictive covenants and penalty criteria as set forth in this Agreement.

**Future Equity Awards** – Subject to the provisions of this Agreement, you shall receive an additional equity award in February 2006 which is expected to have a minimum Black Scholes value of \$2.5 million (the “Future Equity Award”), subject to your continued employment with the Company as of the grant date of the Future Equity Award. The Future Equity Award will be granted to you in conjunction with the Company’s normal annual grant process and will be based on an analysis of competitive data. The form and mix of the Future Equity Award will mirror the incentive structure for all senior officers of the Company and will likely include a mix of equity similar to the Restricted Stock, Incentive Options and Performance Options.

**NCR Benefits** – You will be entitled to participate in normal Company-provided benefits and perquisites at the level at least equal to other senior executive officers of the Company. As of the Start Date, you are automatically eligible for the Company’s core U.S. benefit coverage for yourself and your family, including Health Care Coverage (Cigna PPO Plan), Dental Care Coverage (Cigna Dental PPO Plan), Short-Term and Long-Term Disability Coverage, Life Insurance Coverage,



and Accidental Death and Dismemberment Insurance Coverage. 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. You may choose to waive participation in any of these plans.

**Relocation** – You will relocate to the Dayton, Ohio area as soon as practicable after the Start Date and in any event by no later than August 1, 2006. In connection with such relocation, the Company will reimburse you for all of the normal and customary relocation expenses you incur in accordance with the Company’s standard relocation policy in which you will participate. If you and your family do not relocate to the Dayton, Ohio area by August 1, 2006, this will constitute a material breach by you of the Agreement, and will be considered “Cause” for the Company to terminate your employment hereunder. Alternatively, the Company will have the option to retain your services under this Agreement, but the next applicable tranche of Restricted Stock granted to you hereunder that would have otherwise vested shall not vest and shall be forfeited to the Company. As part of your relocation expenses, the Company shall (i) pay or reimburse you for all your commuting to and from the Dayton, Ohio area on the Company airplane (provided, however, that this will not include more than one round-trip per week) and (ii) shall provide you with a \$5,000 monthly allowance for your living expenses in the Dayton, Ohio area from the Start Date to the earlier of August 1, 2006 or your relocation to the Dayton, Ohio area (the “Relocation Period”) and any amounts pursuant to (i) or (ii) shall be fully grossed-up such that you will have no after tax cost.

**Travel Expenses and Benefits** – During the Engagement, NCR will permit you to use the corporate aircraft for business travel and for travel between any of your residences and the Company’s offices in Dayton, Ohio, and elsewhere as desirable. During the Relocation Period, use of the aircraft shall be covered by the prior paragraph. After the Relocation Period, you shall be permitted to use the Company’s aircraft for limited additional travel for personal use (including for security reasons) on an availability basis; provided, however, that the taxable imputed income to you attributed to such use in any calendar year, using the SIFL rates approved by the Internal Revenue Service, shall not exceed \$35,000 (or such higher amount as approved by the Committee), without the prior approval of the Committee; and further provided, however, that the foregoing shall be pro-rated for calendar year 2006 after the end of the Relocation Period. The Company shall provide you a sufficient “gross-up” payment to cover all federal and Ohio state income taxes on your personal use of the corporate aircraft, payable by the Company upon notice of the payment and amount due, no later than the day such taxes are due.

**Other Business Expenses** – As a general matter, the Company will reimburse you for all reasonable expenses that you incur in the course of performing your duties under this Agreement that are consistent with the Company’s policies with respect to travel, entertainment and other business expenses. Reimbursement shall be subject to the Company’s customary requirements imposed upon executive level employees, with respect to reporting and documentation of such expenses.

**Vacation** – You will be eligible for five weeks of paid vacation during each calendar year of the Engagement (pro-rated for 2005 based on the Start Date).

**Change in Control** – You will be entitled to participate in the CIC Plan effective as of the Start Date.

**Severance** – In the event of a Company initiated termination of your employment other than for “Cause” (as defined in the CIC Plan), or a voluntary termination for “Good Reason” (as defined below) you will receive cash severance payments totaling (x) one and one half (1.5) times your annual base salary and Target MIP (the “Severance Benefit”), payable in equal monthly installments, the number of which will be determined so that you receive the full Severance Benefit no later than two and one-half months after the start of the calendar year following the calendar year during which your termination of employment occurs, and (y) a pro-rated MIP, based on the achievement of applicable performance targets pursuant to the MIP for the year of your termination, and based on the number of days you are employed during the year of the termination of employment, payable when the MIP is otherwise payable by the Company, but in no event later than two and one-half months after the start of the calendar year following the calendar year during which your termination of employment occurs; provided, that you execute a release of claims substantially in the form attached as Schedule C hereto, with such changes as are necessary or appropriate to account for changes in law or regulation. In addition, during the 18-month period following your termination of employment other than for “Cause” or for “Good Reason” (if you are not otherwise employed during such period and covered under the group medical plan provided to employees of such subsequent employer), the Company agrees, if you so elect, that the Company will continue your (including your dependents) medical benefits under COBRA, to the same extent as during your employment, with your COBRA premiums paid by the Company.

The Company agrees to cooperate with you to amend this Agreement to the extent you deem necessary to avoid imposition of any additional tax under Section 409A of the Internal Revenue Code (and any Department of Treasury regulations promulgated thereunder), but only to the extent such amendment would not have a more than de minimis adverse effect on the Company.

**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 listed on Schedule B, as reasonably amended from time to time by the Compensation Committee, in consultation with you, as well as any subsidiaries of such companies that become stand-alone companies as a result of a spin-off, IPO or similar restructuring transaction after the date of the last update to Schedule B. The list of Competing Organizations on Schedule B hereto may be amended from time to time by the Compensation Committee by written notice to you, provided that (i) the number of companies shall not increase, (ii) any companies shall be from among those entities treated as “Competing Organizations” on the annual list prepared jointly by you and the Compensation Committee pursuant to the Company’s policies and (iii) the list of Competing Organizations shall not be changed in contemplation of your accepting an offer to join any company.

**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 (i) directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of NCR or its associated companies to terminate their employment with or otherwise cease their relationship with NCR or its associated companies (provided that you may serve as reference upon request with regard to a company with which you are not affiliated and this provision shall not be violated by general advertising not specifically targeted at employees of the Company), or (ii) canvass or solicit business of the same nature that NCR or its associated companies is selling or providing to any firm or company as of the date of your termination of employment with or from such particular firm or company.

**Confidentiality and Non-Disclosure** – You agree that during the term of your employment with the Company 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 the Company. “Confidential Information” shall mean information about the Company, 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 the Company, 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 of Company 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”). Your rolodex and similar address books shall not be deemed Confidential Information if and to the extent they contain only the names and contact information you have personally used while employed (or acquired prior to employment hereunder) and no other information that would otherwise be Confidential Information. You acknowledge that such Confidential Information is specialized, unique in nature and of great value to the Company, and that such information gives the Company a competitive advantage. Upon the termination of your employment for any reason whatsoever, you shall promptly deliver to the Company 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 the Company’s legitimate business interests, and you agree not to challenge the reasonableness of such restrictions. You acknowledge that you have been represented by counsel in this matter, and have had a full and fair opportunity 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, the possibility of

“Severance” under this Agreement and all other consideration provided to you under this Agreement. Accordingly, if you materially breach any of the Restrictive Covenants, NCR will be released from all obligations it may have under this Agreement to provide you with “Severance.”

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 Agreement (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.

**Legal Expenses** – The Company will pay up to \$25,000 for the reasonable legal advice expenses you incur in connection with the completion of this Agreement.

**Defined Terms** – For purposes of this Agreement, “Good Reason” shall be defined as defined in the CIC Plan, but shall also include (i) a diminution in your job title (other than temporarily while you are incapacitated); (ii) a material diminution or adverse change (other than temporarily while you are incapacitated) in your position, office or duties (including your removal from or non-re-election to the Board); or (iii) a material breach of this Agreement by the Company, which remains uncured, if curable, after more than ten (10) days after your providing written notice of such breach to the Company.

For purposes of this Agreement, “Permanent Disability” shall mean your absence from your duties with the Company on a full-time basis for 120 consecutive business days or 180 business days in any 12-month period as a result of your incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and which physician is acceptable to you or your legal representative.

**Miscellaneous** – This Agreement is personal to you and without the prior written consent of the Company shall not be assignable by you other than by will or the laws of descent and distribution.

You may designate one or more beneficiaries to whom any payments earned by and due to you will be made in the event of your death by completing such form as the Board or one of its committees authorizes for that purpose. In the absence of any such designation, any such payments will be made to your estate or personal representative. This Agreement shall inure to the benefit of and be enforceable by your legal representatives, and shall inure to the benefit of and be binding upon the Company and its successors; provided, however, that the Company may only assign this Agreement to an acquirer of all or substantially all of its assets and any such acquirer shall be required to deliver to you an assumption in writing of the Company's obligations hereunder. This Agreement may be amended, modified or changed only by a written instrument executed by you and the Company.

You hereby represent and warrant to the Company that you are not party to any contract, understanding, agreement or policy, whether or not written, with any previous employer or otherwise, that would be breached by your entering into, or performing services under, this Agreement, or, if you are a party to such a contract, understanding, agreement or policy, you shall have obtained a written acknowledgement from your previous employer (or such other party or parties) such that your performance of services under this Agreement shall not be impeded in any manner (other than confidentiality, nonsolicitation and noninterference restrictions all as provided in your employment agreement with your prior employer), or otherwise be subject to any claim, action or litigation by your previous employer (or any other party or parties).

The Company hereby represents and warrants to you that the Company's financial statements for 2003, 2004 and the quarters ending March 31 and June 30, 2005 that have been or, with regard to the June 30, 2005, quarter will be filed with the SEC are accurate in all material respects.

No provision of any restrictive covenant in any grant or other plan shall be any broader than those set forth in this Agreement.

Notwithstanding any other provision of this Agreement, the Company may withhold from any amounts payable hereunder, 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.

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 Board or you may discontinue your employment with or without cause at any time and for any reason or no reason.

Bill, if you will please countersign a copy of this letter agreement, it will constitute the terms of your service as President and CEO of the Company upon the terms and conditions described above.

Sincerely,

/s/ Linda Fayne Levinson

Linda Fayne Levinson  
Chair, NCR Compensation and Human Resource Committee

Agreed and accepted this 29 day of July, 2005.

/s/ William R. Nuti

William R. Nuti

## Summary of Nuti Employment Agreement

Start Date	August 7, 2005 or as soon as practicable thereafter.
Position	President and Chief Executive Officer. Member of NCR Board of Directors (the "Board").
Term	At will employment. May be terminated by Nuti or the Board with or without cause at any time and for any reason or no reason.
Salary	Annual base salary of \$1,000,000. Reviewed by the Compensation and Human Resource Committee of the Board (the "Compensation Committee") from time to time for increase, but not decrease.
Bonus	Eligible to receive an annual bonus under the NCR Management Incentive Plan for Executive Officers ("MIP") based on the success of NCR in meeting annual performance objectives. Targeted annual bonus is 100% of annual base salary, and can range from 0% if the target objectives are not met to a maximum of 200%. For calendar year 2005, MIP award is a guaranteed minimum of \$500,000, subject to upward adjustment at the discretion of the Board.
Stock Options	<p>Nuti will be awarded nonqualified options to purchase 650,000 shares of NCR common stock (the "Options") as follows.</p> <ul style="list-style-type: none"><li>• 250,000 of the Options (the "Incentive Options") vest in 25% increments on each of the first four anniversaries of the Start Date, subject to continued employment on each such anniversary date.</li><li>• 400,000 of the Options (the "Performance Options") have the potential to fully vest on December 31, 2008, subject to continued employment and the achievement of agreed to performance goals over the 12 quarterly financial reporting periods beginning January 1, 2006 and ending December 31, 2008 (the "Performance Period"). If the threshold performance goal is not achieved, no Performance Options will vest; if the threshold performance goal is achieved, a total of 200,000 Performance Options will vest; if the next level performance goal is achieved, a total of 300,000 Performance Options will vest; and if the highest level performance goal is achieved, a total of 400,000 Performance Options will vest.</li></ul>

The Options will be subject to the existing standard terms and conditions determined by the Compensation Committee and, once vested, the Options will be exercisable over a ten year term, provided that upon termination other than for Cause (as defined in NCR's Change-in-Control Severance Plan for Executive Officers (the "CIC Plan")), vested Options remain exercisable for the lesser of 1 year or the remainder of the term of such Options.

The Options grant price will be equal to the fair market value of NCR common stock on the Start Date.

Restricted stock

Nuti will be awarded 85,000 shares of restricted stock (the "Restricted Stock"), which vest in 25% increments on each of the first four anniversaries of the Start Date, subject to continued employment on each such anniversary date.

Future equity Award

Will be received in February 2006. Expected to have a minimum Black Scholes value of \$2.5 million. Form and mix will mirror the incentive structure for all senior officers of NCR and will likely include a mix of equity similar to the Incentive Options, Performance Options and Restricted Stock.

Benefits & Perquisites

Entitled to participate in normal NCR-provided benefits and perquisites at a level at least equal to other senior executive officers of NCR. Nuti and family automatically eligible for NCR's core U.S. benefit coverage, including health care coverage, dental care coverage, short-term and long-term disability coverage, life insurance and accidental death and dismemberment coverage. Also eligible to participate in NCR savings plan (401(k)) and NCR employee stock purchase plan.

Relocation

Nuti will relocate to Dayton no later than August 1, 2006. NCR will reimburse all normal and customary relocation expenses in accordance with its standard relocation policy. Failure of Nuti and family to relocate to Dayton by August 1, 2006 constitutes material breach of Agreement and will be considered "cause" for termination by NCR. Alternatively, NCR may retain Nuti's services but the next applicable tranche of Restricted Stock that would have otherwise vested shall not vest and shall be forfeited. NCR will pay or reimburse all commuting expenses to and from Dayton on the NCR aircraft (not to exceed one round-trip per week) and will provide a \$5,000 monthly allowance for living expenses in the Dayton area from the Start Date through the earlier



of August 1, 2006 or Nuti's relocation to Dayton (the "Relocation Period"), with such amounts fully grossed-up for tax purposes.

Travel Expenses  
& Benefits

Nuti is permitted to use the NCR aircraft for business travel and for travel between any residences and NCR's Dayton offices and elsewhere as desirable, subject to the limitations described above during the Relocation Period and thereafter subject to the limitations described hereafter. After the Relocation Period, Nuti will be entitled to use the NCR aircraft for personal use (including for security reasons) on an availability basis up to \$35,000 (or such higher amount as approved by the Compensation Committee) based on the SIFL rate, with such amount grossed-up for tax purposes. NCR will reimburse Nuti for all other reasonable business expenses, subject to NCR's customary requirements imposed on executive level employees.

Vacation

Five weeks of paid vacation during each calendar year, pro-rated for 2005.

Change in  
Control

Entitled to participate in NCR's CIC Plan as of the Start Date and all equity awards are subject to the CIC Plan.

Severance

In the event NCR terminates for other than "Cause" (as defined in NCR's Change-in-Control plan) or Nuti terminates for "Good Reason" (as defined in the Employment Agreement), Nuti will, provided he signs a release of claims against NCR, receive cash payments totaling (x) 1.5 times the annual base salary and Target MIP and (y) a pro-rated MIP based on the achievement of applicable performance targets pursuant to the MIP for the year of termination. In addition, for 18 months following such termination, at Nuti's election NCR will continue Nuti's medical benefits under COBRA, with the premiums paid by NCR.

In addition, the Incentive Options and Restricted Stock will fully vest and will immediately become exercisable upon certain termination events as more fully described in the Employment Agreement.

Non-competition

For 18 months after termination for any reason (the "Restricted Period"), Nuti will not render services to any "Competing Organization" involving the development, manufacture, marketing, advertising or service of any product, process, system or service of NCR's during the last 3 years of Nuti's NCR employment.

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Non-solicitation/ Non-hire	During the Restricted Period Nuti will not (1) recruit, hire or induce any exempt NCR employee to terminate their employment with NCR or (2) canvass or solicit business with or from any company of the same nature that NCR is selling or providing to such company as of the termination of Nuti's employment.
Confidentiality	During the term of employment and thereafter Nuti will not disclose NCR confidential information.
Breach of restrictive Covenants	NCR may bring an action for injunction and/or specific performance in order to enforce any post-employment restrictive covenants in the Agreement.
Arbitration	Any dispute related to the Agreement will be resolved by final, binding arbitration.
Legal Expenses	NCR will pay up to \$25K for reasonable legal expenses incurred by Nuti in connection with the Agreement.



Transforming Transactions  
into Relationships

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**NEWS RELEASE**

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**For Release on August 1, 2005**

#### **NCR Names Bill Nuti President and CEO**

**DAYTON, Ohio** – NCR Corporation (NYSE: NCR) today announced that its board of directors has named William (Bill) Nuti to the posts of president and chief executive officer (CEO) of NCR, and elected him to the board of directors. The appointment takes effect on Aug. 8, 2005.

Nuti has served since December 2003 as president and CEO of Symbol Technologies, where he successfully strengthened the company's product portfolio and positioned the company as a leading supplier in the emerging radio frequency identification, or RFID, industry. After a highly successful 10-year stint at Cisco Systems, Nuti joined Symbol in August 2002 as president and chief operating officer where he led a challenging turnaround. Under his leadership, in 2003 Symbol returned to profitability for the first time in five years, and from 2002 to 2004 increased its revenues by 24 percent.

In appointing Nuti, NCR's Chairman and interim CEO James (Jim) Ringler, who will continue with the company as chairman, stated, "Bill is an experienced and results-driven executive with strong global technology experience, particularly in areas of interest to our company. After considering carefully a number of outstanding candidates, Bill's proven ability to lead complex organizations, and his track record of building high-performance teams and growing revenue truly stood out. Our board unanimously agreed that he is the perfect fit, and we are delighted to have him join NCR."

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Nuti said, "I see a lot of opportunity at NCR to take a very healthy company with a strong brand and superb technology and build it into an even greater business. It's an exciting time for the company and I'm looking forward to working with the team to take NCR to an even higher level of performance."

Nuti departed Cisco in 2002 as senior vice president responsible for both the company's Worldwide Service Provider business and the U.S. Theater Operations. In this dual role, he led Cisco's field operations, systems engineering, professional services, marketing and U.S. sales divisions. He also served as president of Europe, Middle East and Africa (EMEA) operations and more than doubled Cisco's revenue in the region during his tenure. Prior to his EMEA assignment, Nuti led the expansion of Cisco's business operations in the Asia/Pacific region and increased revenue several-fold in a two-year period.

Nuti's career also includes sales and management positions at IBM, Network Equipment Technologies and Netrix Corporation.

On Tuesday, Aug. 2 at 10:00 a.m. (ET), NCR will host a conference call with Jim Ringler and Bill Nuti to discuss the appointment. Access to the conference call, as well as a replay of the call, is available on NCR's Web site at <http://investor.ncr.com/>.

***About NCR Corporation***

NCR Corporation (NYSE: NCR) is a leading global technology company helping businesses build stronger relationships with their customers. NCR's ATMs, retail systems, Teradata® data warehouses and IT services provide Relationship Technology™ solutions that maximize the value of customer interactions and help organizations create a stronger competitive position. Based in Dayton, Ohio, NCR ([www.ncr.com](http://www.ncr.com)) employs approximately 28,300 people worldwide.

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NCR and Teradata are trademarks or registered trademarks of NCR Corporation in the United States and other countries.

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**Note to Investors**

This news release contains forward-looking statements, including statements as to anticipated or expected results, beliefs, opinions and future financial performance, within the meaning of Section 21E of the Securities and Exchange Act of 1934. Forward-looking statements include projections of revenue, profit growth and other financial items, future economic performance and statements concerning analysts' earnings estimates, among other things. These forward-looking statements are based on current expectations and assumptions and involve risks and uncertainties that could cause NCR's actual results to differ materially.

In addition to the factors discussed in this release, other risks and uncertainties include: the impact of recent terrorist activity on the economy or the markets in general or on the ability of NCR to meet its commitments to customers, the ability of NCR's suppliers to meet their commitments to NCR or the timing of purchases by NCR's customers; the timely development, production or acquisition and market acceptance of new and existing products and services; shifts in market demands; continued competitive factors and pricing pressures; short product cycles and rapidly changing technologies; turnover of workforce and the ability to attract and retain skilled employees; tax rates; ability to execute the company's business plan; general economic and business conditions; and other factors detailed from time to time in the company's Securities and Exchange Commission reports and the company's annual reports to stockholders. The company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.