

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): April 26, 2006

NCR CORPORATION

(Exact Name of Registrant Specified in Charter)

Commission File Number 001-00395

Maryland
(State or Other Jurisdiction
of Incorporation)

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:

- 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.

At meetings held on April 25 and 26, 2006, the Board of Directors (the "Board") of NCR Corporation, a Maryland corporation ("NCR" or the "Company"), the Committee on Directors and Governance of the Board (the "Directors Committee") and the Compensation and Human Resource Committee of the Board (the "Compensation Committee") approved a number of actions as described below.

Director Compensation

Pursuant to authority granted to it by the Board, the Directors Committee adopted the NCR Director Compensation Program (the "Program"), which sets forth certain terms and conditions relating to remuneration payable to non-employee members of the Board. Acting pursuant to the Program, the Directors Committee on April 26, 2006 approved specific amounts of compensation to be paid to such directors. Certain aspects of the Program, as well as the specific amounts of compensation that were approved, are described below.

1. Retainers

The Program provides that each non-employee director will receive an annual retainer in an amount determined by the Directors Committee. Chairs of committees of the Board may also receive an additional retainer. Retainers are payable in 25% increments on June 30, September 30, December 31, and March 31, provided the individual is serving as a director on those dates. If an individual is not serving as a director on any such date, the remaining amount of the retainer is forfeited. Prior to January 1 of each year, a director may elect to receive all or a portion of a retainer in NCR common stock instead of cash. In addition, a director may elect to defer receipt of the shares of common stock payable in lieu of cash. If deferred, a stock unit account is maintained, with dividend reinvestment. Deferred stock payments may be paid in cash or in NCR common stock.

Pursuant to the Program, on April 26, 2006, the Directors Committee determined that each non-employee director will receive a retainer of \$75,000 for the year beginning on the date of NCR's 2006 Annual Meeting of Stockholders and ending on the date of NCR's 2007 Annual Meeting of Stockholders. The Chairman of the Board will receive an additional retainer of \$165,000. Each member of NCR's Audit Committee will receive an additional retainer of \$5,000, with the Chair of the Audit Committee also receiving an additional retainer of \$12,000. The Chair of the Directors Committee will receive an additional retainer of \$9,000, and the Chair of the Compensation Committee will receive an additional retainer of \$12,000.

2. Initial Equity Grant

The Program provides that each non-employee director upon first election to the Board will receive a grant of restricted stock or restricted stock units. If the grant is made in the form of restricted stock units, a director may elect to defer receipt of the shares of common stock payable in respect of vested restricted stock units. If deferred, a stock unit account is maintained, with dividend reinvestment. Payment is made only in NCR common stock.

Pursuant to the Program, on April 26, 2006, the Directors Committee awarded newly-elected non-employee director Gary Daichendt a grant of 911 restricted stock units, subject to NCR's 2006 Restricted Stock Unit Agreement, the form of which is attached as Exhibit 10.1 hereto and incorporated herein by reference. Please see Item 5.02 of this Current Report on Form 8-K for information regarding Mr. Daichendt's election to the Board.

3. Annual Equity Grant

The Program provides that on the date of each annual meeting of NCR's stockholders each non-employee director will be granted restricted stock, restricted stock units and/or options to purchase a number of shares of NCR common stock in an amount determined by the Directors Committee. Any options that are granted will be fully vested and exercisable on the first anniversary of the grant. If restricted stock or restricted stock units are granted, the Directors Committee may determine that the shares or units will be forfeited if the director ceases to serve as a director during a restriction period determined by the Directors Committee. If the grant is made in the form of restricted stock units, a director may elect to defer receipt of the shares of common stock payable in respect of vested restricted stock units. If deferred, a stock unit account is maintained, with dividend reinvestment.

Pursuant to the Program, on April 26, 2006, the Directors Committee approved a grant to each non-employee director of stock options to purchase 3,724 shares of NCR's common stock, subject to NCR's 2006 Director Stock Option Agreement, the form of which is attached as Exhibit 10.2 hereto and incorporated herein by reference.

In addition, each non-employee director received a grant of 1,486 restricted stock units. Each restricted stock unit is subject to NCR's 2006 Restricted Stock Unit Agreement, the form of which is attached as Exhibit 10.1 hereto and incorporated herein by reference.

A copy of the Program is attached as Exhibit 10.3 hereto and incorporated herein by reference.

Financial Measures under Management Incentive Plan

As previously disclosed, the NCR Management Incentive Plan ("MIP") was approved by NCR's stockholders on April 26, 2006. The terms and conditions of the MIP were previously described in the NCR Corporation Proxy Statement filed on March 10, 2006, which description together with the MIP itself attached as Exhibit A to such Proxy Statement are incorporated by reference thereto.

On April 25, 2006, the Compensation Committee approved, subject to stockholder approval of the MIP, the minimum, target and maximum payout amounts under the MIP for 2006 for MIP participants, as well as the financial measures and weightings that it would use in fixing the actual amount of such awards.

The specified performance measures approved by the Committee, and the weight attributed to each, were as follows:

Financial Measures	Executives/Weightings		
	Messrs. William Nuti (CEO), Eric Berg (Chief Admin. Officer), Jonathan Hoak (SVP and General Counsel), Peter Bocian (SVP and CFO) and SVP, Human Resources	Messrs. Malcom Collins (SVP, Financial Sol. Div.), Keith Taylor (former SVP, Financial Sol. Div.), SVP, Retail Sol. Div., Peter Dorsman (VP, Systemedia Div.), Mark Quinlan (former VP, Systemedia Div.) and Michael Koehler (SVP, Teradata Div.)	Ms. Christine Wallace (SVP, Worldwide Customer Services Div.) and Mr. Gerry Gagliardi (former SVP, Worldwide Customer Services Div.)
Profit:			
Company Non-Pension Operating Income ("NPOI") ⁽¹⁾ after Capital Charge ⁽²⁾	100%	25%	50%
Division NPOI			50%
Solution portion		18.75%	
Annuity portion		18.75%	
Revenue:			
Division Revenue (combined solution and annuity)		37.5%	
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

(1) NPOI is a non-GAAP financial measure used by NCR due to the significant change in pension expense from year to year. Company NPOI includes the Company's income from operations under U.S. generally accepted accounting principles less pension income/expense. Division NPOI includes the Company's reported operating results for each of NCR's business segments and is comprised of hardware, software, professional services and transaction services for each business segment and annuity services revenue for NCR's Teradata Division and NCR's Worldwide Customer Services business.

(2) Capital Charge is a formula used to determine the total cost of capital deployed. It includes accounts receivable plus inventory, plant, property and equipment, other current assets and capitalized software less accounts payable, payroll and employee benefits, other current liabilities and post retirement benefits.

The minimum, target and maximum thresholds associated with each financial measure for the 2006 fiscal year are not disclosed in this Current Report on Form 8-K because these thresholds are confidential business information, the disclosure of which could have an adverse effect on the Company.

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

(d) On April 26, 2006, the Board elected Gary Daichendt a director of NCR and designated Mr. Daichendt as a Class A director. Mr. Daichendt will serve as a member of the Audit Committee. There are no arrangements or understandings between Mr. Daichendt and any other person pursuant to which Mr. Daichendt was selected as a director. There are no transactions involving Mr. Daichendt that would be required to be reported under Item 404(a) of Regulation S-K.

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	Form of 2006 Restricted Stock Unit Agreement.
10.2	Form of 2006 Director Stock Option Agreement.
10.3	NCR Director Compensation Program.

SIGNATURE

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 hereunto duly authorized.

NCR Corporation

Dated: May 2, 2006

By: /s/ Nelson F. Greene

Nelson F. Greene

Law Vice President and Assistant Secretary

Index to Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	Form of 2006 Restricted Stock Unit Agreement.
10.2	Form of 2006 Director Stock Option Agreement.
10.3	NCR Director Compensation Program.

**NCR Stock Incentive Plan
2006 Director Restricted Stock Unit Grant Statement**

Name of Grantee	Soc. Sec. #	Grant Date	No. of Restricted Stock Units
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You have been awarded the above number of restricted stock units (the "Stock Units") under the NCR Stock Incentive Plan (the "Plan") of NCR Corporation ("NCR"), subject to the terms and conditions of this agreement and the Plan.

1. The Stock Units will vest during the one-year period beginning on the grant date, in equal quarterly installments commencing three months after the grant date, provided you continue to serve as a Director of NCR until each vesting date. Notwithstanding the foregoing, if the grant date of your Stock Units is the date of an Annual Meeting of Stockholders, then, the fourth quarterly vesting will occur only if you continue to serve as a Director until the earlier of (a) the first Annual Meeting of Stockholders following the grant date and (b) the first anniversary of the grant date.
2. The Stock Units will become fully Vested if, prior to the one-year anniversary of the grant date, you die while serving as a Director of NCR.
3. The vesting schedule will accelerate and the Stock Units will become fully vested if (1) a "Change in Control," as defined in Section 10(b) of the Plan, occurs, and (2) you cease to serve as a Director of NCR within 24 months of the Change in Control for any reason other than your willful engaging in illegal conduct or gross misconduct, as determined by the affirmative vote of a majority of the entire membership of the Board.
4. When vested, the Stock Units will be paid to you in shares of NCR common stock, such that one Stock Unit equals one share of NCR common stock.
5. Any cash dividends declared before your Vesting Dates on the shares underlying the Stock Units shall be converted to additional Stock Units subject to the terms of this Agreement, based on the Fair Market Value of NCR common stock on the date the dividend is declared.
6. You may designate one or more beneficiaries to receive all or part of any shares to be distributed in case of your death, and you may change or revoke such designation at any time. In the event of your death, any shares distributable hereunder that are subject to such a designation will be distributed to such beneficiary or beneficiaries in accordance with this agreement. Any other shares will be distributable to your estate. If there shall be any question as to the legal right of any beneficiary to receive a distribution hereunder, the shares in question may be transferred to your estate, in which event NCR will have no further liability to anyone with respect to such shares.

7. The terms of this award of Stock Units as evidenced by this agreement may be amended by the NCR Board of Directors or the Committee, provided that no such amendment shall impair your rights hereunder without your consent.

**NCR Stock Incentive Plan
2006 Director Option Grant Statement
(Non-Statutory Stock Option)**

Name of Optionee	Soc. Sec. #	Grant Date 4/26/06	No. of Optioned Shares
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You have been granted an option (the "Option") under the NCR Stock Incentive Plan (the "Plan") of NCR Corporation ("NCR") to purchase from NCR the above number of common shares of NCR ("Shares") at the price of \$_____ per Share, subject to the terms and conditions of this statement and the Plan.

1. Your right to exercise this Option will expire ten (10) years from the grant date.
2. This Option is fully vested and exercisable on the first anniversary of the grant date, provided you serve as a Director of NCR from the grant date until the earlier of (a) the next following Annual Meeting of Stockholders and (b) the first anniversary of the grant date. Notwithstanding the foregoing, this Option will become fully vested if, prior to the one-year anniversary of the grant date, you die while serving as a director of NCR.
3. This Option will not be exercisable after the expiration date, except that, if you die within six months prior to the expiration date, the expiration date will be extended to the one hundred seventy-ninth day after the date of death.
4. The vesting schedule of this Option will accelerate and this Option will become fully vested if (a) a "Change in Control," as defined in Section 10(b) of the Plan, occurs, and (b) you cease to serve as a Director of NCR within 24 months of the Change in Control for any reason other than your willful engagement in illegal conduct or gross misconduct, as determined by the affirmative vote of a majority of the entire membership of the Board.
5. This Option shall be exercised in accordance with procedures established by the administrator of NCR's stock option program.
6. Within a reasonable period after the Option is exercised, NCR will instruct its Transfer Agent and Stock Registrar to credit you or your successor with the number of Shares with respect to which you exercised the Option. Neither you nor your legal representative shall be, or have any of the rights and privileges of, a shareowner of NCR in respect of any Shares purchasable upon the exercise of this Option, in whole or in part, unless and until the Company credits you with such Shares.

7. This Option is not transferable by you otherwise than by will or the laws of descent and distribution, and during your lifetime the Option may be exercised only by you or your guardian or legal representative.
8. You may designate one or more beneficiaries to receive all or part of this Option in case of your death, and you may change or revoke such designation at any time. In the event of your death, any portion of this Option that is subject to such a designation will be distributed to such beneficiary or beneficiaries in accordance with this Statement. Any other portion of this Option shall be distributable to your estate. If there is any question as to the legal right of any beneficiary to receive a distribution hereunder, the Shares in question may be purchased by and distributed to your estate, in which event NCR shall have no further liability to anyone with respect to such Shares.
9. The terms of this Option as evidenced by this statement may be amended by the NCR Board of Directors or its Compensation and Human Resource Committee or Committee on Directors and Governance, provided that no such amendment shall impair your rights hereunder without your consent.

EXHIBIT A
NCR DIRECTOR COMPENSATION PROGRAM

Effective April 26, 2006

PREAMBLE

This NCR Director Compensation Program ("Program") is adopted effective April 26, 2006, and replaces the NCR Director Compensation Program adopted by the Committee on Directors and Governance effective April 27, 2005.

The Program is approved and adopted by the Committee on Directors and Governance of the Board of Directors (the "Board") of NCR Corporation ("Company"), as designated by the Board pursuant to its authority under Section 2 of the NCR Corporation 2006 Stock Incentive Plan, to grant stock and other stock-based awards to non-employee directors and to determine the terms and conditions of such awards.

The Program is intended to provide competitive remuneration to individuals serving as non-employee members of the Board (each, a "Director"), and to align the interests of the Directors with the interests of the Company's stockholders.

ARTICLE I

Definitions

- 1.1 Committee means the Committee on Directors and Governance of the Board of Directors of NCR Corporation.
- 1.2 Common Stock means the common stock of NCR Corporation, par value \$.01 per share.
- 1.3 Company means NCR Corporation, a Maryland corporation.
- 1.4 Deferred Stock Award means the annual retainer and/or meeting fees, if any, elected by a Participant to be deferred as set forth in ARTICLE III.
- 1.5 Deferred Stock Grant means the initial, annual or mid-year equity grants, if any, elected by a Participant to be deferred as set forth in ARTICLE IV.
- 1.6 Director means a member of the Board of Directors of NCR Corporation who is not an employee of the Company.
- 1.7 Fair Market Value of a share of Common Stock as of a specified date means the average of the high and low sales prices of a share of Common Stock on the New York Stock Exchange on such date, or if there were no trades on such date, on the day on which a trade occurred next preceding such date.

- 1.8 Participant means a Director, and any former Director entitled to payment of a benefit from the Program.
- 1.9 Restricted Stock means actual shares of Common Stock bearing restrictions or conditions and issued to a Director pursuant to the Stock Incentive Plan.
- 1.10 Restricted Stock Units means awards denominated in shares of Common Stock that will be settled in an amount in cash, shares of Common Stock, or both, as designated in a Director's individual award statement or agreement, based upon the Fair Market Value of a specified number of shares of Common Stock.
- 1.11 Stock Incentive Plan means the NCR Corporation 2006 Stock Incentive Plan, adopted effective as of April 26, 2006.
- 1.12 Year of Service means the approximately 12 month period beginning on the date of an annual stockholders' meeting of the Company and ending on the day before the Company's annual stockholders' meeting of the next following year, during which an individual serves as a Director.

ARTICLE II

Compensation

- 2.1 Annual Compensation. A Director will receive the compensation described in Sections 2.2 through 2.5 below, as determined by the Committee in its discretion, based on review of competitive data.
- 2.2 Annual Retainer. For each Year of Service, a Director will receive an annual retainer as determined by the Committee, which may include an additional retainer amount for Committee Chairs. A Director may elect to receive the retainer in cash, in Common Stock, or as a Deferred Stock Award, as described in ARTICLE III. If no election is made, the retainer will be paid in cash. If paid in cash or Common Stock, payment of 25% of the annual amount will be made on June 30, September 30, December 31, and March 31, provided the individual is serving as a Director on such dates. If the individual is not serving as a Director on any such date, the remaining amount of the retainer shall be forfeited.
- If paid in Common Stock, the number of shares of Common Stock to be paid shall be determined by dividing the cash amount of the retainer due to the Director by the Fair Market Value of the Common Stock on the date the payment is due, rounding up to the next whole share.
- 2.3 Meeting Fees. The Committee may determine that Directors will receive a meeting fee for each meeting attended, and may determine that Committee Chairs will

determine whether a particular special meeting is subject to a meeting fee. Meeting fees, if any, will be paid quarterly at the same time as the retainer, for meetings attended in the immediately preceding quarter, and may be paid in cash, Common Stock or as a Deferred Stock Award as provided in Article III.

- 2.4 Initial Stock Grant. On the date of first election to the Board, each Director will receive an initial equity grant under the Stock Incentive Plan of a number of whole shares of Restricted Stock or Restricted Stock Units as determined by the Committee in its discretion. If such grant is made in the form of Restricted Stock Units, a Director may elect to defer receipt of the Common Stock payable in respect of vested Restricted Stock Units as a Deferred Stock Grant as provided in ARTICLE IV. A Director will receive only one initial equity grant for any continuous period served as a Director. If a Director ceases to serve as a Director for a period of at least three years and is later again elected as a Director, he or she will receive a second initial equity grant for the second period served as a Director.
- 2.5 Annual Equity Grant. At each annual stockholders' meeting of the Company, each individual then serving as a Director or newly elected as a Director shall receive an equity grant under the Stock Incentive Plan, determined by the Committee, consisting of Restricted Stock, Restricted Stock Units and/or nonqualified stock options for Common Stock. If stock options are granted, the exercise price for each optioned share will be the Fair Market Value of one share of Common Stock on the grant date. The stock options will be fully vested and exercisable on the first anniversary of the grant, and will have a term of ten years from the date of grant. If Restricted Stock or Restricted Stock Units are awarded, the Committee may determine that the shares or units will be forfeited if the Director ceases to serve as a director during a restriction period determined by the Committee. If the annual equity grant is made in the form of Restricted Stock Units, a Director may elect to defer receipt of the Common Stock payable in respect of vested Restricted Stock Units as a Deferred Stock Grant as provided in ARTICLE IV.
- 2.6 Mid-Year Equity Grants. The Committee in its discretion may grant stock options and/or awards of Restricted Stock or Restricted Stock Units, as described in Section 2.5, to Directors who are newly elected to the Board after the annual stockholders' meeting. If a mid-year equity grant is made in the form of Restricted Stock Units, a Director may elect to defer receipt of the Common Stock payable in respect of vested Restricted Stock Units as a Deferred Stock Grant as provided in ARTICLE IV.

ARTICLE III

Deferred Stock Awards

- 3.1 Election to Defer. For each calendar year, a Director may elect to defer receipt of pay for services relating to the retainer and meeting fees, if any, to be received in that calendar year, and receive them instead as a Deferred Stock Award. The election must be made prior to the January 1 of the calendar year in which the retainer or meeting fees will be rendered by a Director or such later date as is

permitted by guidance issued under Section 409A of the Internal Revenue Code (the "Code"); provided, however, that a newly-elected Director may make an election within 30 days after the date of his or her election to the Board of Directors. The election to defer shall be irrevocable commencing on January 1 of the calendar year that such election is in effect. A new election to defer may be made for each subsequent calendar year, provided the deferral election is made prior to the January 1 of the calendar year and be irrevocable for the following calendar year. If a new election is not made, or a prior election is not revoked for the immediately succeeding calendar year, the most recent election to defer will remain in effect and be irrevocable for the following calendar year.

3.2 Form of Election. The election to defer must be made in writing.

3.3 Deferral Periods. A Director may elect to receive the Deferred Stock Award at one of the following times:

- (a) on the date of termination as a Director consistent with the definition of separation of services as defined pursuant to Section 409A of the Code,
- (b) on the date either five or ten years from the date of grant, or
- (c) in one to five equal annual installments, payable on April 30 of each year, beginning either on the next following April 30 after the retainer is earned, or the April 30 next following the date of termination as a Director.

3.4 Deferred Stock Awards. If a Director elects to receive the annual retainer and meeting fees, if any, as a Deferred Stock Award, the Company will maintain a deferred stock account credited, as of the date a payment of the retainer or meeting fee would have otherwise been paid, with a number of stock units equal to the shares of Common Stock (rounded up to the nearest whole share) that could have been purchased with the amount deferred as of such date at the Fair Market Value of the Common Stock on such date. As of the date any dividend is paid to stockholders of Common Stock, the Director's deferred stock account shall also be credited with an additional number of stock units equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased at the Fair Market Value on such date with the dividend paid on the number of shares of Common Stock equivalent to the number of share units credited to the Director's deferred stock account. In case of dividends paid in property, the dividend shall be deemed to be the fair market value of the property at the same time of distribution of the dividend, as determined by the Committee.

3.5 Distribution of Deferred Stock Award. Payment of a Director's Deferred Stock Award shall be made at the times elected by the Director at the time of his or deferral election. Distribution shall be made in cash unless a Participant elects in writing delivered to the Company no later than 60 days prior to the date of distribution (or the date of the first distribution, if made in installments) that all or any designated portion of the deferred stock account be paid in shares of Common Stock. The amount of a cash distribution shall be determined by multiplying the

number of shares attributable to the payment by the Fair Market Value of the Common Stock on the date the payment is to be made. If distribution is to be made in shares of Common Stock, the Participant shall receive the number of whole shares of Common Stock to which the distribution is equivalent.

ARTICLE IV

Deferred Stock Grants

4.1 Election to Defer. If and to the extent Restricted Stock Units are granted to a Director for the initial equity grant described in Section 2.4 and/or in connection with the annual or mid-year equity grants described in Sections 2.5 and 2.6, respectively, a Director may elect to defer receipt of the Common Stock otherwise payable to the Director as such Restricted Stock Units vest. For the annual equity grant, the election to defer must be made prior to the January 1 of the calendar year in which the grant is made. For both the initial and mid-year equity grants for newly-elected Directors, such Directors must make the deferral election within 30 days after the date of his or her election to the Board of Directors. The election to defer shall be irrevocable commencing on January 1 of the calendar year that such election is in effect.

A new deferral election for annual equity grants may be made for each subsequent calendar year, provided the election to defer is made prior to the January 1 of that calendar year. If a new election is not made, or a prior election is not revoked for the immediately succeeding calendar year, the most recent election to defer will remain in effect and be irrevocable for the following calendar year. If no deferral election is made, the Common Stock payable as the Restricted Stock Units vest will be issued to the Director within a reasonable time after the applicable vesting date.

4.2 Form of Election. The election to defer must be made in writing.

4.3 Deferral Periods. A Director may elect to receive the Common Stock at one of the times specified in Section 3.3 above.

4.4 Deferred Stock Accounts. If a Director elects to defer receipt of the Common Stock otherwise payable in respect of Restricted Stock Units awarded as initial, annual or mid-year equity grants, the Company will maintain a deferred stock account credited, as of the date of election to the Board, with a number of stock units equal to the shares of Common Stock the Director was entitled to receive as such Restricted Stock Units vested. As of the date any dividend is paid to stockholders of Common Stock, the Director's deferred stock account shall also be credited with an additional number of stock units equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased at the Fair Market Value on such date with the dividend paid on the number of shares of Common Stock equivalent to the number of share units credited to the Director's deferred stock account. In case of dividends paid in property, the dividend shall be deemed to be the fair market value of the property at the same time of distribution of the dividend, as determined by the Committee.

- 4.5 Distribution of Deferred Stock Grant. Payment of a Director's Deferred Stock Grant shall be made at the times elected by the Director at the time of deferral, in shares of Common Stock. The Participant shall receive the number of whole shares of Common Stock to which the amount of the distribution is equivalent.

ARTICLE V

Distribution Upon Death

- 5.1 Distribution Upon Death. In the event of the death of a Participant, whether before or after termination of employment, any Deferred Cash Award or Deferred Stock Grant to which he or she was entitled shall be converted to cash and distributed in a lump sum to the Participant's designated beneficiary, or if no beneficiary is designated, to the Participant's estate. Distribution of a Participant's stock options will be according to the terms of the stock option agreements.
- 5.2 Designation of Beneficiary. A Participant may designate an individual or entity as his or her beneficiary to receive payment of any Deferred Cash Award, Deferred Stock Grant, or retainer or meeting fees due and unpaid on the date of the Participant's death, by delivering a written designation to the Company. A Participant may from time to time revoke or change any such designation in writing delivered to the Company. If there is no unrevoked designation on file with the Company at the time of the Participant's death, or if the designated beneficiary has predeceased the Participant or otherwise ceased to exist, such distribution shall be made in accordance with the Participant's will or in the absence of a will, to the administrator of the Participant's estate. Distribution shall be made as soon as practicable following notification of the Company of the Participant's death. A Participant's deferred stock account shall be converted to cash by multiplying the number of whole and fractional shares of Common Stock to which the Participant's deferred stock account is equivalent by the Fair Market Value of the Common Stock on the date of death.

ARTICLE VI

Administration

- 6.1 Withholding Taxes. The Company shall deduct from all distributions under the Program any taxes required to be withheld by federal, state or local governments. If distributions are made in shares of Common Stock, the Company shall have the right to retain the value of sufficient shares equal to the amount of the tax required to be withheld with respect to such distributions. In lieu of withholding the value of shares, the Company may require a recipient of a distribution in Common Stock to reimburse the Company for any such taxes required to be withheld upon such terms and conditions as the Company may prescribe.

- 6.2 Unfunded Nature of Program. This Program shall be unfunded. The funds used for payment of benefits hereunder shall, until such actual payment, continue to be part of the general funds of the Company, and no person other than the Company shall, by virtue of this Program, have any interest in any such funds. Nothing contained herein shall be deemed to create a trust of any kind or create any fiduciary relationship. To the extent that any person acquires a right to receive payments from the Company under this Program, such right shall be no greater than the right of any unsecured general creditor of the Company.
- 6.3 Non-alienation of Benefits. No benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, including assignment pursuant to a domestic relations order, and any attempt to do so shall be void. No such benefit shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, or torts of the Participant.
- 6.4 Acceleration Upon a Change in Control. As provided in Section 10 of the Stock Incentive Plan and applicable provisions of a Director's individual award agreement or statement under this Program, the vesting of nonqualified stock options, Restricted Stock and Restricted Stock Units may accelerate upon the occurrence of a Change in Control. For purposes of the Program, Change in Control shall be applied to the extent necessary to comply with Section 409A(a)(2)(a)(v) of the Code, and in Treasury Regulations issued pursuant to Section 409A(e) of the Code, rather than as defined in Section 10 of the Stock Incentive Plan.
- 6.5 Amendment or Termination of the Program. The Committee at any time may amend or terminate the Program, provided that no such action shall adversely affect the right of any Participant or Beneficiary to a benefit to which he or she has become entitled pursuant to the Program, and no amendment or termination of the Program can alter the Participant's deferrals of compensation in noncompliance with Section 409A of the Code, or the rules and regulations issued pursuant thereto. Any amendment or termination of the Program that is inconsistent with, or in violation of Code Section 409A, shall be void and of no effect.
- 6.6 Interpretation of the Program. The Program is intended to comply with the provisions of Section 409A of the Code, and the Treasury Regulations issued pursuant thereto; and the provisions of the Program will at all times be administered consistent therewith. Any provision of the Program that is inconsistent with, or in violation of, Section 409A of the Code, shall be void and of no effect. The Senior Vice President, Human Resources, and the General Counsel of the Company are delegated the responsibility to interpret and administer the Program consistent with Section 409A of the Code and to take necessary action pursuant to this Section 6.6 and Section 6.5 to assure that the Program is administered consistent with such provision.