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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2021

or

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

For the transition period from ____________ to ____________

Commission File Number: 001-00395

NCR CORPORATION
(Exact name of registrant as specified in its charter)

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

864 Spring Street NW
Atlanta, GA 30308
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (937) 445-1936

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	NCR	New York Stock Exchange

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

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

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

Large accelerated filer ☑	Accelerated filer o
Non-accelerated filer o	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

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

As of April 16, 2021, there were approximately 130.9 million shares of the registrant's common stock issued and outstanding.

TABLE OF CONTENTS

PART I. Financial Information

PART II. Other Information

Part I. Financial Information

Item 1. FINANCIAL STATEMENTS

NCR Corporation
Condensed Consolidated Statements of Operations (Unaudited)

	Three months ended March 31	
In millions, except per share amounts	**2021**	**2020**
Product revenue	**$ 482**	$ 474
Service revenue	**1,062**	1,029
Total revenue	**1,544**	1,503
Cost of products	**408**	391
Cost of services	**722**	715
Selling, general and administrative expenses	**238**	255
Research and development expenses	**66**	65
Total operating expenses	**1,434**	1,426
Income (loss) from operations	**110**	77
Interest expense	**(45)**	(50)
Other expense, net	**(17)**	(2)
Income (loss) from continuing operations before income taxes	**48**	25
Income tax expense (benefit)	**17**	1
Income (loss) from continuing operations	**31**	24
Loss from discontinued operations, net of tax	**—**	—
Net income (loss)	**31**	24
Net income (loss) attributable to noncontrolling interests	**1**	1
Net income (loss) attributable to NCR	**$ 30**	$ 23
Amounts attributable to NCR common stockholders:		
Income (loss) from continuing operations	**$ 30**	$ 23
Dividends on convertible preferred stock	**(4)**	(6)
Income (loss) from continuing operations attributable to NCR common stockholders	**26**	17
Loss from discontinued operations, net of tax	**—**	—
Net income (loss) attributable to NCR common stockholders	**$ 26**	$ 17
Income (loss) per share attributable to NCR common stockholders:		
Income (loss) per common share from continuing operations		
Basic	**$ 0.20**	$ 0.13
Diluted	**$ 0.19**	$ 0.13
Net income (loss) per common share		
Basic	**$ 0.20**	$ 0.13
Diluted	**$ 0.19**	$ 0.13
Weighted average common shares outstanding		
Basic	**130.0**	128.0
Diluted	**134.7**	130.5

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation
Condensed Consolidated Statements of Comprehensive Income (Unaudited)

	Three months ended March 31	
In millions	**2021**	**2020**
Net income (loss)	**$ 31**	$ 24
Other comprehensive income (loss):		
Currency translation adjustments		
Currency translation gains (losses)	**(7)**	(61)
Derivatives		
Unrealized gains (losses) on derivatives	**—**	3
Losses (gains) on derivatives recognized during the period	**—**	(1)
Less income tax	**—**	(1)
Employee benefit plans		
Amortization of prior service benefit	**(1)**	(1)
Amortization of actuarial losses (gains)	**—**	(1)
Less income tax	**—**	1
Other comprehensive income (loss)	**(8)**	(61)
Total comprehensive income (loss)	**23**	(37)
Less comprehensive income attributable to noncontrolling interests:		
Net income (loss)	**1**	1
Currency translation losses	**—**	(1)
Amounts attributable to noncontrolling interests	**1**	—
Comprehensive income (loss) attributable to NCR	**$ 22**	$ (37)

See Notes to Condensed Consolidated Financial Statements.

Table of Contents

NCR Corporation
Condensed Consolidated Balance Sheets (Unaudited)

In millions, except per share amounts	March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	**$ 319**	$ 338
Accounts receivable, net of allowances of $39 and $51 as of March 31, 2021 and December 31, 2020, respectively	**1,212**	1,117
Inventories	**634**	601
Other current assets	**447**	422
Total current assets	**2,612**	2,478
Property, plant and equipment, net	**364**	373
Goodwill	**2,924**	2,837
Intangibles, net	**565**	532
Operating lease assets	**396**	344
Prepaid pension cost	**202**	199
Deferred income taxes	**946**	965
Other assets	**693**	686
Total assets	**$ 8,702**	$ 8,414
Liabilities and stockholders' equity		
Current liabilities		
Short-term borrowings	**$ 52**	$ 8
Accounts payable	**707**	632
Payroll and benefits liabilities	**227**	268
Contract liabilities	**594**	507
Other current liabilities	**638**	673
Total current liabilities	**2,218**	2,088
Long-term debt	**3,349**	3,270
Pension and indemnity plan liabilities	**839**	851
Postretirement and postemployment benefits liabilities	**117**	120
Income tax accruals	**101**	102
Operating lease liabilities	**377**	325
Other liabilities	**328**	334
Total liabilities	**7,329**	7,090
Commitments and Contingencies (Note 9)		
Series A convertible preferred stock: par value $0.01 per share, 3.0 shares authorized, 0.3 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively; redemption amount and liquidation preference of $276 as of March 31, 2021 and December 31, 2020, respectively	**273**	273
Stockholders' equity		
NCR stockholders' equity		
Preferred stock: par value $0.01 per share, 100.0 shares authorized, no shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	**—**	—
Common stock: par value $0.01 per share, 500.0 shares authorized, 130.6 and 129.1 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	**1**	1
Paid-in capital	**398**	368
Retained earnings	**976**	950
Accumulated other comprehensive loss	**(279)**	(271)
Total NCR stockholders' equity	**1,096**	1,048
Noncontrolling interests in subsidiaries	**4**	3
Total stockholders' equity	**1,100**	1,051
Total liabilities and stockholders' equity	**$ 8,702**	$ 8,414

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation
Condensed Consolidated Statements of Cash Flows (Unaudited)

In millions	Three months ended March 31 2021	2020
Operating activities		
Net income (loss)	$ 31	$ 24
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	92	87
Stock-based compensation expense	44	25
Deferred income taxes	7	5
Impairment of other assets	—	1
Gain on sale of property, plant and equipment	—	(2)
Changes in assets and liabilities:		
Receivables	(91)	137
Inventories	(17)	(48)
Current payables and accrued expenses	34	(183)
Contract liabilities	74	108
Employee benefit plans	(10)	(3)
Other assets and liabilities	(9)	(97)
Net cash provided by operating activities	155	54
Investing activities		
Expenditures for property, plant and equipment	(10)	(10)
Proceeds from sale of property, plant and equipment	—	7
Additions to capitalized software	(51)	(69)
Business acquisitions, net	(157)	(26)
Purchases of investments	(5)	—
Proceeds from sales of investments	5	—
Net cash used in investing activities	(218)	(98)
Financing activities		
Short term borrowings, net	—	3
Payments on term credit facilities	(8)	(2)
Payments on revolving credit facilities	(318)	(573)
Borrowings on revolving credit facilities	448	1,397
Debt issuance costs	(1)	(1)
Cash dividend payments related to Series A Convertible Preferred Stock	(4)	(6)
Repurchases of Common Stock	—	(41)
Proceeds from employee stock plans	8	3
Tax withholding payments on behalf of employees	(22)	(24)
Net change in client funds obligations	—	12
Principal payments for finance lease obligations	(4)	(3)
Other financing activities	(1)	—
Net cash provided by (used in) financing activities	$ 98	$ 765
Cash flows from discontinued operations		
Net cash provided by (used in) operating activities	(44)	3
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(6)	(14)
Increase (decrease) in cash, cash equivalents, and restricted cash	(15)	710
Cash, cash equivalents and restricted cash at beginning of period	406	563
Cash, cash equivalents and restricted cash at end of period	$ 391	$ 1,273

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation
Condensed Consolidated Statements of Changes in Stockholder's Equity (Unaudited)

	NCR Stockholders						
	Common Stock						
In millions	Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Redeemable Noncontrolling Interests in Subsidiaries	Total
December 31, 2020	**129**	**$ 1**	**$ 368**	**$ 950**	**$ (271)**	**$ 3**	**$ 1,051**
Comprehensive income:							
Net income	—	—	—	30	—	1	31
Other comprehensive income (loss)	—	—	—	—	(8)	—	(8)
Total comprehensive income (loss)	—	—	—	30	(8)	1	23
Employee stock purchase and stock compensation plans	2	—	30	—	—	—	30
Series A convertible preferred stock dividends	—	—	—	(4)	—	—	(4)
March 31, 2021	**131**	**$ 1**	**$ 398**	**$ 976**	**$ (279)**	**$ 4**	**$ 1,100**

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation
Condensed Consolidated Statements of Changes in Stockholder's Equity (Unaudited) - (Continued)

	NCR Stockholders							
	Common Stock							
In millions	Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income		Non-Redeemable Noncontrolling Interests in Subsidiaries	Total
December 31, 2019	**127**	**$ 1**	**$ 312**	**$ 1,060**	**$ (269)**		**$ 3**	**$ 1,107**
Comprehensive income:								
Net income	—	—	—	23	—		1	24
Other comprehensive income	—	—	—	—	(60)		(1)	(61)
Total comprehensive income	—	—	—	23	(60)		—	(37)
Employee stock purchase and stock compensation plans	2	—	4	—	—		—	4
Series A convertible preferred stock dividends	—	—	—	(6)	—		—	(6)
Repurchase of Common Stock	(2)	—	(41)	—	—		—	(41)
March 31, 2020	127	$ 1	$ 275	$ 1,077	$ (329)		$ 3	$ 1,027

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation

Notes to Condensed Consolidated Financial Statements (Unaudited)

Index to Financial Statements and Supplemental Data

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Condensed Consolidated Financial Statements have been prepared by NCR Corporation (NCR, the Company, we or us) without audit pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC) and, in the opinion of management, include all adjustments (consisting of normal, recurring adjustments, unless otherwise disclosed) necessary for a fair statement of the condensed consolidated results of operations, financial position, and cash flows for each period presented. The consolidated results for the interim periods are not necessarily indicative of results to be expected for the full year. The 2020 year-end Condensed Consolidated Balance Sheet was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States (GAAP). These financial statements should be read in conjunction with NCR's Form 10-K for the year ended December 31, 2020.

Use of Estimates The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported.

Although our estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could differ from our expectations, which could materially affect our results of operations and financial position. In particular, a number of estimates have been and will continue to be affected by the ongoing novel coronavirus (COVID-19) pandemic. The severity, magnitude and duration of the COVID-19 pandemic, and the resulting economic consequences, are uncertain, rapidly changing and difficult to predict with certainty. As a result, our accounting estimates and assumptions may change over time as a consequence of the effects of COVID-19.

Such changes could result in future impairments of goodwill, intangible assets, long-lived assets, incremental credit losses on accounts receivable and decreases in the carrying amount of our tax assets.

Evaluation of Subsequent Events The Company evaluated subsequent events through the date that our Condensed Consolidated Financial Statements were issued. No matters were identified that required adjustment of the Condensed Consolidated Financial Statements or additional disclosure other than subsequent events disclosed within the notes to the Condensed Consolidated Financial Statements.

Cash, Cash Equivalents, and Restricted Cash All short-term, highly liquid investments having original maturities of three months or less, including time deposits, are considered to be cash equivalents. The Company has restricted cash on deposit with a bank as collateral for letters of credit, funds held for clients as well as cash included in settlement processing assets. Refer to Note 16, Revisions of Previously Issued Financial Statements, for disclosure related to the revision to include funds held for clients and cash included in settlement processing assets within cash, cash equivalents and restricted cash in the Condensed Consolidated Statement of Cash Flows.

The reconciliation of cash, cash equivalents and restricted cash in the Condensed Consolidated Statements of Cash Flows is as follows:

	March 31	
In millions	**2021**	**2020 As Revised**
Reconciliation of cash, cash equivalents and restricted cash as shown in the Condensed Consolidated Statements of Cash Flows		
Cash and cash equivalents	**$ 319**	$ 1,214
Restricted cash included in other assets	**8**	7
Funds held for clients included in other current assets	**44**	44
Cash included in settlement processing assets included in other current assets	**20**	8
Total cash, cash equivalents and restricted cash	**$ 391**	$ 1,273

Contract Assets and Liabilities The following table presents the net contract asset and contract liability balances as of March 31, 2021 and December 31, 2020.

In millions	Location in the Condensed Consolidated Balance Sheet	March 31, 2021	December 31, 2020
Current portion of contract liabilities	Contract liabilities	$ 594	$ 507
Non-current portion of contract liabilities	Other liabilities	$ 76	$ 80

During the three months ended March 31, 2021, the Company recognized $255 million in revenue that was included in contract liabilities as of December 31, 2020.

Remaining Performance Obligations Remaining performance obligations represent the transaction price of orders for which products have not been delivered or services have not been performed. As of March 31, 2021, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately $3.8 billion. The Company expects to recognize revenue on approximately three-quarters of the remaining performance obligations over the next 12 months, with the remainder recognized thereafter. The majority of our professional services are expected to be recognized over the next 12 months but this is contingent upon a number of factors, including customers' needs and schedules.

The Company has made two elections that affect the value of remaining performance obligations described above. We do not disclose remaining performance obligations for Software as a Service (SaaS) contracts where variable consideration is directly allocated based on usage or when the original expected length is one year or less.

Recent Accounting Pronouncements

Issued

In August 2020, the Financial Accounting Standards Board ("FASB") issued an accounting standards update with new guidance for convertible preferred stock, which eliminates considerations related to the beneficial conversion feature model. The standard also requires an average stock price when calculating the denominator for diluted earnings per share to be used for stock units where the settlement of the number of shares is based on the stock price. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. Early adoption is permitted no earlier than fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. The adoption of this accounting standards update is not expected to have a material effect on the Company's net income, cash flows, earnings per share or financial condition.

2. BUSINESS COMBINATIONS

Acquisition of Freshop, Terafina, & Dumac

In the first quarter of 2021, NCR completed acquisitions for total cash considerations of $126 million, as outlined below:

- On January 6, 2021, NCR completed its acquisition of Freshop E-Commerce Solution, Inc. ("Freshop"), a leading provider of grocery e-commerce. The Freshop acquisition further expands NCR's software and services-led offerings to our retail platform and creates more value for our customers and new capabilities for NCR to run the store. As a result of the acquisition, Freshop became a wholly owned subsidiary of NCR.

- On February 5, 2021, NCR completed its acquisition of Terafina, Inc. ("Terafina"), a leading solution provider for customer account opening and onboarding across digital, branch and call center channels. The Terafina acquisition further expands NCR sales and marketing capabilities in its industry-leading Digital First Banking platform to drive revenue growth across consumer and business market segments. As a result of the acquisition, Terafina became a wholly owned subsidiary of NCR.

- On March 22, 2021 NCR completed its acquisition of certain assets and liabilities of Dumac Business Systems Inc. ("Dumac"), a leading POS solution provider for the quick service, table service, and convenient store markets. The Dumac asset acquisition further expands NCR's software and services-led offerings, creating more value for our customers and driving revenue growth across the Hospitality segment.

Recording of Assets Acquired and Liabilities Assumed The fair value of consideration transferred was allocated to the identifiable assets acquired and liabilities assumed based upon their estimated fair values as of the date of the respective acquisitions as set forth below. The allocation of the purchase prices are provisional as of March 31, 2021 and may be subject to future adjustments as the Company obtains additional information to finalize the accounting for the business combinations. The allocation of the purchase prices is as follows:

In millions	Fair Value
Cash acquired	**$ 2**
Tangible assets acquired	**7**
Acquired intangible assets other than goodwill	**52**
Acquired goodwill	**86**
Deferred tax liabilities	**(8)**
Liabilities assumed	**(13)**
Total purchase consideration	**$ 126**

Goodwill represents the future economic benefits arising from other assets acquired that could not be individually separately recognized. The goodwill arising from the acquisitions consists of revenue and cost synergies expected from combining the operations of NCR and the respective acquisitions. It is expected that $9 million of the goodwill recognized in connection with the acquisitions will be deductible for tax purposes. The goodwill arising from the Freshop acquisition has been allocated to our Retail segment. The goodwill arising from the Terafina acquisition has been allocated to our Banking segment. The goodwill arising from the Dumac acquisition has been allocated to our Hospitality segment. Refer to Note 3, Goodwill and Long-Lived Assets, for the carrying amounts of goodwill by segment.

The following table sets forth the components of the intangible assets acquired as of the acquisition dates:

	Fair Value	Weighted Average Amortization Period [(1)]
	(In millions)	(In years)
Direct customer relationships	$ 11	10
Technology - Software	36	8
Non-compete	1	1
Tradenames	4	9
Total acquired intangible assets	$ 52	

[(1)] Determination of the weighted average period of the individual categories of intangible assets was based on the nature of applicable intangible asset and the expected future cash flows to be derived from the intangible asset. Amortization of intangible assets with definite lives is recognized over the period of time the assets are expected to contribute to future cash flows.

The operating results of Freshop, Terafina, and Dumac have been included within NCR's results as of the closing dates of the acquisitions. Supplemental pro forma information and actual revenue and earnings since the acquisition dates have not been provided as the acquisitions did not have a material impact on the Company's Condensed Consolidated Statements of Operations.

Proposed Transaction

On January 25, 2021, NCR entered into a definitive agreement (Cardtronics Transaction) to acquire all outstanding shares of Cardtronics plc (Cardtronics) for $39.00 per share. The transaction is subject to regulatory approval and customary closing conditions, including approval by Cardtronics' shareholders, and is expected to close in mid-2021. Cardtronics is the world's largest non-bank ATM operator and service provider enabling cash transactions by converting digital currency into physical cash at over 285,000 ATMs across 10 countries in North America, Europe, Asia-Pacific, and Africa. During the first quarter of 2021, the Company, on behalf of Cardtronics, paid a fee of $33 million to terminate the acquisition agreement between Cardtronics and Catalyst Holdings Limited, a private limited company affiliated with investment funds managed by affiliates of

Apollo Global Management, Inc. and has been recorded within other current assets in the Condensed Consolidated Balance Sheet as prepaid purchase price.

3. GOODWILL AND LONG-LIVED ASSETS

Goodwill by Segment The carrying amounts of goodwill by segment as of March 31, 2021 and December 31, 2020 are included in the table below. Foreign currency fluctuations are included within other adjustments.

	December 31, 2020						March 31, 2021		
In millions	Goodwill	Accumulated Impairment Losses	Total	Additions	Impairment	Other	Goodwill	Accumulated Impairment Losses	Total
Banking	$ 1,772	$ (101)	$ 1,671	$ 39	$ —	$ 1	$ 1,812	$ (101)	$ 1,711
Retail	643	(34)	609	38	—	2	683	(34)	649
Hospitality	404	(23)	381	9	—	(2)	411	(23)	388
Telecommunications & Technology	187	(11)	176	—	—	—	187	(11)	176
Total goodwill	$ 3,006	$ (169)	$ 2,837	$ 86	$ —	$ 1	$ 3,093	$ (169)	$ 2,924

Identifiable Intangible Assets NCR's purchased intangible assets, reported in intangibles, net in the Condensed Consolidated Balance Sheets, were specifically identified when acquired, and are deemed to have finite lives. The gross carrying amount and accumulated amortization for NCR’s identifiable intangible assets were as set forth in the table below.

		March 31, 2021		December 31, 2020	
In millions	Amortization Period (in Years)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Identifiable intangible assets					
Reseller & customer relationships	1 - 20	$ 752	$ (337)	$ 740	$ (324)
Intellectual property	2 - 8	569	(424)	531	(418)
Customer contracts	8	89	(89)	89	(89)
Tradenames	1 - 10	80	(75)	77	(74)
Total identifiable intangible assets		$ 1,490	$ (925)	$ 1,437	$ (905)

The aggregate amortization expense for identifiable intangible assets for the following periods is:

In millions	Three months ended March 31, 2021	Remainder of 2021 (estimated)
Amortization expense	$ 20	$ 58

	For the years ended December 31 (estimated)				
In millions	2022	2023	2024	2025	2026
Amortization expense	$ 73	$ 71	$ 64	$ 56	$ 53

4. SEGMENT INFORMATION AND CONCENTRATIONS

The Company manages and reports the following segments:

- **Banking** - We offer solutions to customers in the financial services industry that power their digital transformation through software, services and hardware to deliver differentiated experiences for their customers and improve efficiency for the financial institution. Our managed services and ATM-as-a-Service help banks run their end-to-end ATM channel, positioning NCR as a strategic partner. We augment these solutions by offering a full line of software, services and hardware including interactive teller machines (ITM), and recycling, multi-function and cash dispense ATMs. NCR's digital banking solutions enable anytime-anywhere convenience for a financial institution’s consumer and business customers. We also help institutions implement their Digital First platform strategy by providing solutions for banking channel services, transaction processing, imaging, and branch services.

- **Retail** - We offer software-defined solutions to customers in the retail industry, leading with digital to connect retail operations end to end to integrate all aspects of a customer's operations in indoor and outdoor settings from POS, to payments, inventory management, fraud and loss prevention applications, loyalty and consumer engagement. These solutions are designed to improve operational efficiency, selling productivity, customer satisfaction and purchasing decisions; provide secure checkout processes and payment systems; and increase service levels. These solutions include retail-oriented technologies such as comprehensive API-point of sale retail software platforms and applications, hardware terminals, self-service kiosks including self-checkout (SCO), payment processing solutions, and bar-code scanners.
- **Hospitality** - We offer technology solutions to customers in the hospitality industry, including table-service, quick-service and fast casual restaurants of all sizes, that are designed to improve operational efficiency, increase customer satisfaction, streamline order and transaction processing and reduce operating costs. Our portfolio includes cloud-based software applications for point-of-sale, back office, payment processing, kitchen production, restaurant management and consumer engagement. We also provide hospitality-oriented hardware products such as point-of-sale (POS) terminals, order and payment kiosks, bar code scanners, printers and peripherals. And finally, we help reduce the complexities of running the restaurant through our services capabilities including strategic advisory, technology deployment and implementation, hardware and software maintenance and managed services.
- **Telecommunications & Technology (T&T)**- We offer maintenance, managed and professional services using solutions such as remote management and monitoring services, which are designed to improve operational efficiency, network availability and end-user experience, to customers in the telecommunications and technology industry. We also provide such services to end users on behalf of select manufacturers leveraging our global service capability, and resell third party networking products to customers in a variety of industries.

These segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the chief operating decision maker in assessing segment performance and in allocating the Company's resources. Management evaluates the performance of the segments based on revenue and adjusted EBITDA. The Company previously evaluated the performance of the segments based on segment operating income. Adjusted EBITDA is defined as GAAP net income (loss) from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus stock-based compensation expense; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition-related intangibles, restructuring charges, among others. The special items are considered non-operational so are excluded from the adjusted EBITDA metric utilized by our chief operating decision maker in evaluating segment performance and are separately delineated to reconcile back to total reported GAAP net income (loss) from operations attributable to NCR.

Assets are not allocated to segments, and thus are not included in the assessment of segment performance. Consequently, we do not disclose total assets by reportable segment. The accounting policies used to determine the results of the operating segments are the same as those utilized for the condensed consolidated financial statements as a whole. Intersegment sales and transfers are not material.

Corporate and Other reconciles our segment results to adjusted EBITDA, which primarily includes other income (expense) that are managed only on a total company basis and are, accordingly, reflected only in consolidated results.

The following table presents revenue and adjusted EBITDA by segment:

In millions	Three months ended March 31 2021	2020
Revenue by segment		
Banking	$ 756	$ 763
Retail	532	472
Hospitality	179	169
T&T	77	99
Consolidated revenue	$ 1,544	$ 1,503
Adjusted EBITDA by Segment		
Banking	$ 154	$ 140
Retail	73	37
Hospitality	25	7
T&T	10	8
Corporate and Other	(4)	(4)
Total Adjusted EBITDA	$ 258	$ 188

The following table reconciles net income (loss) from continuing operations to Adjusted EBITDA:

In millions	Three months ended March 31 2021	2020
Net income (loss) from continuing operations attributable to NCR	$ 30	23
Transformation costs	8	5
Acquisition-related amortization of intangibles	20	22
Acquisition-related costs	27	—
Interest expense	45	50
Interest income	(3)	(1)
Depreciation and amortization (excluding acquisition-related amortization of intangibles)	70	63
Income tax expense	17	1
Stock-based compensation expense	44	25
Total Adjusted EBITDA	$ 258	$ 188

The following table presents revenue by geography for NCR:

In millions	Three months ended March 31 2021	2020
Americas	$ 929	$ 892
Europe, Middle East and Africa (EMEA)	417	403
Asia Pacific (APJ)	198	208
Total revenue	$ 1,544	$ 1,503

The following table presents revenue from products and services for NCR:

In millions	Three months ended March 31 2021	2020
Recurring revenue [(1)]	$ 874	$ 802
All other products and services	670	701
Total revenue	$ 1,544	$ 1,503

(1) Recurring revenue includes all revenue streams from contracts where there is a predictable revenue pattern that will occur at regular intervals with a relatively high degree of certainty. This includes hardware and software maintenance revenue, cloud revenue, payment processing revenue, certain professional services arrangements as well as term-based software license arrangements that include customer termination rights.

5. DEBT OBLIGATIONS

The following table summarizes the Company's short-term borrowings and long-term debt:

	March 31, 2021		December 31, 2020	
In millions, except percentages	**Amount**	**Weighted-Average Interest Rate**	**Amount**	**Weighted-Average Interest Rate**
Short-Term Borrowings				
Current portion of Senior Secured Credit Facility (1)	**$ 2**	**2.72%**	$ 8	2.65%
Trade Receivables Securitization Facility	**50**	**0.95%**	—	—%
Total short-term borrowings	**$ 52**		$ 8	
Long-Term Debt				
Senior Secured Credit Facility:				
Term loan facility (1)	**$ 731**	**2.72%**	$ 733	2.65%
Revolving credit facility (1)	**155**	**2.39%**	75	2.40%
Senior notes:				
8.125% Senior Notes due 2025	**400**		400	
5.750% Senior Notes due 2027	**500**		500	
5.000% Senior Notes due 2028	**650**		650	
6.125% Senior Notes due 2029	**500**		500	
5.250% Senior Notes due 2030	**450**		450	
Deferred financing fees	**(39)**		(40)	
Other (1)	**2**	**7.48%**	2	7.68%
Total long-term debt	**$ 3,349**		$ 3,270	

(1) Interest rates are weighted-average interest rates as of March 31, 2021 and December 31, 2020.

Senior Secured Credit Facility On August 28, 2019, the Company entered into an amended and restated senior secured credit agreement with and among certain subsidiaries of NCR (the Foreign Borrowers), the lenders party thereto and JPMorgan Chase Bank, NA (JPMCB) as the administrative agent, refinancing its term loan facility and revolving credit facility thereunder (the Senior Secured Credit Facility). The Senior Secured Credit Facility consists of a term loan facility in an original aggregate principal amount of $750 million, of which $733 million was outstanding as of March 31, 2021. Additionally, the Senior Secured Credit Facility provides for a five-year revolving credit facility with an aggregate principal amount of $1.1 billion, of which $155 million was outstanding as of March 31, 2021. The revolving credit facility also allows a portion of the availability to be used for letters of credit, and, as of March 31, 2021, outstanding letters of credit were $26 million.

Up to $400 million of the revolving credit facility is available to the Foreign Borrowers, as long as there is availability under the revolving credit facility. Term loans were made to the Company in U.S. Dollars, and loans under the revolving credit facility are available in U.S. Dollars, Euros and Pound Sterling.

The outstanding principal balance of the term loan facility is required to be repaid in equal quarterly installments of 0.25% of the original aggregate principal amount that began with the fiscal quarter ending December 31, 2019, with the balance being due at maturity on August 28, 2026 and may be repaid and reborrowed prior to maturity, subject to the satisfaction of customary conditions. Borrowings under the revolving portion of the credit facility are due August 28, 2024. Revolving loans outstanding under the Senior Secured Credit Facility denominated in U.S. Dollars bear interest at the Company's option at (a) London Inter-bank Offered Rate (LIBOR), plus a margin ranging from 1.25% to 2.25% or (b) a base rate equal to the highest of (i) the federal funds rate plus 0.50%, (ii) the rate of interest last quoted by the Wall Street Journal as the “prime rate” and (iii) the one-month LIBOR rate plus 1.00% (the Base Rate), plus, a margin ranging from 0.25% to 1.25%, in each case, depending on the Company's consolidated leverage ratio. Revolving loans denominated in Euro bear interest at the EURIBOR, plus a margin ranging from 1.25% to 2.25% depending on the Company's consolidated leverage ratio. The terms of the Senior Secured Credit Facility also require certain other fees and payments to be made by the Company, including a commitment fee on the undrawn portion of the revolving credit facility. Term loans outstanding under the Senior Secured Credit Facility bear interest, at NCR's option, at LIBOR plus 2.50% per annum or the Base Rate plus a 1.50% margin per annum. In the event that LIBOR is no longer available or in certain other circumstances as described in the Senior Secured Credit Facility, the Senior Secured Credit Facility provides a mechanism for determining an alternative rate of interest. There is no assurance that any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, LIBOR.

The obligations of the Company and Foreign Borrowers under the Senior Secured Credit Facility are guaranteed by the Company's wholly-owned subsidiary, NCR International, Inc. (the Guarantor Subsidiary). The Senior Secured Credit Facility and such guarantee are secured by a first priority lien and security interest in certain equity interests owned by the Company and the Guarantor Subsidiary in certain of their respective domestic and foreign subsidiaries, and a perfected first priority lien and security interest in substantially all of the Company's U.S. assets and the assets of the Guarantor Subsidiary, subject to certain exclusions. These security interests would be released if the Company achieves an "investment grade" rating and will remain released so long as the Company maintains that rating.

The Senior Secured Credit Facility includes affirmative and negative covenants that restrict or limit the ability of the Company and its subsidiaries to, among other things, incur indebtedness; create liens on assets; engage in certain fundamental corporate changes or changes to the Company's business activities; make investments; sell or otherwise dispose of assets; engage in sale-leaseback or hedging transactions; repurchase stock, pay dividends or make similar distributions; repay other indebtedness; engage in certain affiliate transactions; or enter into agreements that restrict the Company's ability to create liens, pay dividends or make loan repayments. The Senior Secured Credit Facility also includes a financial covenant that requires the Company to maintain:

- a consolidated leverage ratio on the last day of any fiscal quarter, not to exceed (i) in the case of any fiscal quarter ending on or prior to March 31, 2021, (a) the sum of 4.50 and an amount (not to exceed 0.50) to reflect debt used to reduce NCR's unfunded pension liabilities to (b) 1.00, and (ii) in the case of any fiscal quarter ending after March 31, 2021 and on or prior to March 31, 2023, (a) the sum of 4.25 and an amount (not to exceed 0.50) to reflect debt used to reduce NCR's unfunded pension liabilities to (b) 1.00; and (iii) in the case of any fiscal quarter ending after March 31, 2023, (a) the sum of 4.00 and an amount (not to exceed 0.50) to reflect debt used to reduce our unfunded pension liabilities to (b) 1.00.

The Company has the option to elect to increase the maximum permitted leverage ratio by 0.25 in connection with the consummation of any material acquisition (as defined in the Senior Secured Credit Facility) for four fiscal quarters, but in no event will the maximum permitted leverage ratio, inclusive of all increases, exceed 4.75 to 1.00. At March 31, 2021, the maximum consolidated leverage ratio under the Senior Secured Credit Facility was 4.60 to 1.00.

The Senior Secured Credit Facility also includes provisions for events of default, which are customary for similar financings. Upon the occurrence of an event of default, the lenders may, among other things, terminate the loan commitments, accelerate all loans and require cash collateral deposits in respect of outstanding letters of credit. If the Company is unable to pay or repay the amounts due, the lenders could, among other things, proceed against the collateral granted to them to secure such indebtedness.

On February 4, 2021, the Company entered into a fourth amendment to the Senior Secured Credit Facility. Pursuant to such amendment, contingent upon the closing of the proposed Cardtronics Transaction, the maximum permitted total leverage ratio of the Company will be increased initially to 5.50 to 1.00, subject to further modification as set forth in the amendment. In addition, certain technical and other changes to the Senior Secured Credit Facility, including amendments to the definition of "Permitted Acquisition" set forth therein, are now operative.

On February 16, 2021, the Company entered into (a) an amended and restated commitment letter (the Commitment Letter), with certain financial institutions party thereto (the Commitment Parties), (b) an incremental term loan A facility agreement (the Incremental Term Agreement) with the Commitment Parties and the Guarantor Subsidiary and (c) an incremental revolving facility agreement (the Incremental Revolving Agreement) with certain financial institutions, the Guarantor Subsidiary and certain of the Foreign Borrowers.

Pursuant to and subject to the final Commitment Letter and the Incremental Term Agreement, contingent upon and in connection with the proposed Cardtronics Transaction, the Commitment Parties have committed to provide the following: (i) a senior secured incremental term loan A facility under the Senior Secured Credit Facility, in an aggregate principal amount of $1.505 billion, (ii) a senior secured incremental term loan B facility under the Senior Secured Credit Facility, in an aggregate principal amount of $195 million and (iii) a senior secured bridge facility (a portion of which may be unsecured) in an aggregate principal amount of $1.00 billion. The credit facilities will be available to the Company subject to certain conditions precedent, including, among other things, the closing of the proposed Cardtronics Transaction. Pursuant to the terms of the Incremental Term Agreement, subject to the satisfaction of certain customary conditions, $200 million of the $1.505 billion term loan A facility will convert into revolving credit commitments under the Senior Secured Credit Facility (the Additional Revolving Commitments) on or about the date that is 3 business days after the closing of the initial funding of the term loan A facilities.

The bridge facility was available to the Company if, and to the extent, certain securities offerings were not issued on or prior to the closing of the proposed Cardtronics Transaction. As noted below, on April 6, 2021, the Company issued $1.2 billion aggregate principal amount of 5.125% senior notes due 2029 (the 5.125% Notes) which is expected to be used to finance a portion of the purchase price consideration in connection with the pending Cardtronics Transaction. As a result, the commitments with respect to the senior secured incremental term loan B and the senior secured bridge facility were terminated.

Pursuant to the Incremental Revolving Agreement, the lenders party thereto have agreed to provide the Company and the Foreign Borrowers with a $1.1 billion revolving credit facility under the Senior Secured Credit Facility to replace the Company’s existing senior credit revolving credit facility, which will be available to the Company upon the satisfaction of certain customary conditions precedent and conditions subsequent, including the closing of the proposed Cardtronics Transaction and subject to increase in connection with the conversion of a portion of the term loan A facility into Additional Revolving Commitments.

For the three months ended March 31, 2021, the Company incurred financing fees of $17 million related to certain structuring and commitment fees as a result of the above referenced financing transactions entered into during the first quarter of 2021.

The Company may request, at any time and from time to time, but the lenders are not obligated to fund the establishment of one or more incremental term loans and/or revolving credit facilities (subject to the agreement of existing lenders or additional financial institutions to provide such term loans and/or revolving credit facilities) with commitments in an aggregate amount not to exceed the greater of (i) $150 million, and (ii) such amount as would not cause the leverage ratio under the Senior Secured Credit Facility, calculated on a pro forma basis including the incremental facility and assuming that it and the revolver are fully drawn, to exceed 3.00 to 1.00, and the proceeds of which can be used for working capital requirements and other general corporate purposes.

Senior Unsecured Notes On August 21, 2019, the Company issued $500 million aggregate principal amount of 5.750% senior unsecured notes due in 2027 (the 5.750% Notes) and $500 million aggregate principal amount of 6.125% senior unsecured notes due in 2029 (the 6.125% Notes). The 5.750% Notes were sold at 100% of the principal amount with a maturity date of September 1, 2027. The 6.125% Notes were sold at 100% of the principal amount with a maturity date of September 1, 2029. On April 13, 2020, the Company issued $400 million aggregate principal amount of 8.125% senior unsecured notes due in 2025 (the 8.125% Notes). The 8.125% Notes were sold at 100% of the principal amount with a maturity date of April 15, 2025. On August 20, 2020, the Company issued $650 million aggregate principal amount of 5.000% senior unsecured notes due in 2028 (the 5.000% Notes) and $450 million aggregate principal amount of 5.250% senior unsecured notes due in 2030 (the 5.250% Notes).

The senior unsecured notes are guaranteed by NCR International Inc. (Guarantor Subsidiary), which has guaranteed fully and unconditionally the obligations to pay principal and interest for these senior unsecured notes. The terms of the indentures for these notes limit the ability of the Company and certain of its subsidiaries to, among other things, incur additional debt or issue redeemable preferred stock; pay dividends or make certain other restricted payments or investments; incur liens; sell assets; incur restrictions on the ability of the Company's subsidiaries to pay dividends to the Company; enter into affiliate transactions; engage in sale and leaseback transactions; and consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's or such subsidiaries' assets. These covenants are subject to significant exceptions and qualifications. For example, if these notes are assigned an "investment grade" rating by Moody's or S&P and no default has occurred or is continuing, certain covenants will be terminated.

On April 6, 2021, the Company issued $1.2 billion aggregate principal amount of 5.125% senior notes due 2029 (the 5.125% Notes). The Company intends to use the net proceeds from the issuance of the 5.125% Notes, together with borrowing under its senior secured credit facilities and/or cash on hand, to finance the consideration payable in connection with the pending Cardtronics Transaction. The proceeds of the 5.125% Notes will be held in escrow until satisfaction of the escrow release conditions.

If such escrow release conditions are not satisfied on or prior to the earlier of November 1, 2021 and the date on which the Company notifies the escrow agent and the trustee in writing that the Company has determined that the escrow release conditions will not be satisfied, then $600 million of the principal amount of the 5.125% Notes will be subject to a special mandatory redemption. If the pending transaction with Cardtronics is not consummated, the remaining net proceeds from the issuance of the 5.125% Notes (after the payment of the special mandatory redemption price) will be used for general corporate purposes.

The 5.125% Notes will be senior unsecured obligations of the Company and will be guaranteed by the Guarantor Subsidiary.

Interest is payable on the 5.125% Notes semi-annually in arrears at annual rates of 5.125% on April 15 and October 15 of each year, beginning on October 15, 2021. The 5.125% Notes will mature on April 15, 2029.

At any time and from time to time, prior to April 15, 2024, the Company may redeem up to a maximum of 40% of the original aggregate principal amount of the 5.125% Notes with the proceeds of one or more equity offerings, at a redemption price equal to 105.125% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but not including, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided that: (i) at least 55% of the original aggregate principal amount of the applicable 5.125% Notes remains outstanding; and (ii) such redemption occurs within 180 days of the completion of such equity offering.

Prior to April 15, 2024 the Company may redeem some or all of the 5.125% Note by paying a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus the Applicable Premium, as defined in the applicable Indenture, as of, and accrued and unpaid interest to, but excluding, the applicable redemption date (subject to the right of holders of record of the applicable 5.125% Notes on the relevant record date to receive interest due on the relevant interest payment date).

On or after April 15 of the relevant year listed below, the Company may redeem some or all of the 5.125% Notes at the prices listed below, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date): 2024 at a redemption price of 102.563%, 2025 at a redemption price of 101.281%, and 2026 and thereafter at a redemption price of 100.000%.

The 5.125% Notes contains customary events of default, including, among other things, payment default, exchange default, failure to provide certain notices thereunder and certain provisions related to bankruptcy events. The Indenture also contains customary high yield affirmative and negative covenants, including negative covenants that, among other things, limit the Company and its restricted subsidiaries' ability to incur additional indebtedness, create liens on, sell or otherwise dispose of assets, engage in certain fundamental corporate changes or changes to lines of business activities, make certain investments or material acquisitions, engage in sale-leaseback or hedging transactions, repurchase common stock, pay dividends or make similar distributions on capital stock, repay certain indebtedness, engage in certain affiliate transactions and enter into agreements that restrict their ability to create liens, pay dividends or make loan repayments.

Trade Receivables Securitization Facility In November 2014, the Company established a revolving trade receivables securitization facility (the A/R Facility) with PNC Bank, National Association (PNC) as the administrative agent, and various lenders. In November 2019, the Company amended the A/R Facility to increase the maximum commitment made available under the Facility and extended the maturity date to November 2021. The amendment also included other modifications including the scope of receivables subject to the facility and related eligibility requirements, the adoption of a new benchmark for determining overnight funding rates and the fees and interest payable to the agent and lenders party thereto. The A/R Facility provides for up to $300 million in funding based on the availability of eligible receivables and other customary factors and conditions, of which $50 million was outstanding as of March 31, 2021.

Under the A/R Facility, NCR sells and/or contributes certain of its U.S. trade receivables to a wholly-owned, bankruptcy-remote subsidiary as they are originated, and advances by the lenders to that subsidiary are secured by those trade receivables. The assets of this financing subsidiary are restricted as collateral for the payment of its obligations under the A/R Facility, and its assets and credit are not available to satisfy the debts and obligations owed to the creditors of the Company. The Company includes the assets, liabilities and results of operations of this financing subsidiary in its condensed consolidated financial statements. The financing subsidiary owned $475 million and $428 million of outstanding accounts receivable as of March 31, 2021 and December 31, 2020, respectively, and these amounts are included in accounts receivable, net in the Company's Condensed Consolidated Balance Sheets.

The financing subsidiary will pay annual commitments and other customary fees to the lenders, and advances by a lender under the A/R Facility will accrue interest (i) at a reserve-adjusted LIBOR rate or a base rate equal to the highest of (a) the applicable lender's prime rate or (b) the federal funds rate plus 0.50%, if the lender is funding as a committed lender under the terms of the A/R Facility, or (ii) based on commercial paper interest rates if the lender is funding as a commercial paper conduit lender. Advances may be prepaid at any time without premium or penalty.

The A/R Facility contains various customary affirmative and negative covenants and default and termination provisions, which provide for the acceleration of the advances under the A/R Facility in circumstances including, but not limited to, failure to pay interest or principal when due, breach of representation, warranty or covenant, certain insolvency events or failure to maintain the security interest in the trade receivables, and defaults under other material indebtedness.

Fair Value of Debt The Company utilized Level 2 inputs, as defined in the fair value hierarchy, to measure the fair value of the long-term debt, which, as of March 31, 2021 and December 31, 2020 was $3.53 billion and $3.49 billion, respectively. Management's fair value estimates were based on quoted prices for recent trades of NCR's long-term debt, quoted prices for similar instruments, and inquiries with certain investment communities.

6. INCOME TAXES

Income tax provisions for interim (quarterly) periods are based on an estimated annual effective income tax rate calculated separately from the effect of significant, infrequent or unusual items. Income tax expense was $17 million for the three months ended March 31, 2021 compared to $1 million for the three months ended March 31, 2020. The change was primarily driven by higher income before taxes and a decrease in discrete tax benefits in the three months ended March 31, 2021. The discrete tax benefits recorded in the three months ended March 31, 2020 included $2 million related to an error in the calculation of the permanent differences on stock compensation and $3 million for the write-off of tax payables incorrectly recorded in prior periods.

The Company regularly reviews our deferred tax assets for recoverability based on the evaluation of positive and negative evidence. For the three year period ended March 31, 2021, the Company's U.S. operations had a cumulative net loss before income taxes, as adjusted for permanent differences, which is generally considered a negative indicator of the Company's ability to realize the benefits of its deferred tax assets. However, after weighing all evidence, including our history of U.S. pre-tax income adjusted for permanent differences, the impact of the COVID-19 pandemic on our U.S. results in 2020 and in the near-term, projected U.S. taxable income, and the length of time over which the Company's deferred tax assets may be realized, the Company determined that realization of the related benefits was more likely than not. If the Company is unable to generate sufficient future U.S. taxable income of the proper source in the time period within which the temporary differences underlying our deferred tax assets become deductible or before the expiration of our loss and credit carryforwards, additional valuation allowances could be required in the future.

The Company engages in continuous discussions and negotiations with taxing authorities regarding tax matters, and the Company has determined that over the next 12 months it expects to resolve certain tax matters related to U.S. and foreign jurisdictions. As a result, as of March 31, 2021, we estimate that it is reasonably possible that gross unrecognized tax benefits may decrease by $10 million to $28 million in the next 12 months.

7. STOCK COMPENSATION PLANS

As of March 31, 2021, the Company's primary type of stock-based compensation was restricted stock units and stock options. Stock-based compensation expense for the following periods were:

	Three months ended March 31	
In millions	2021	2020
Restricted stock units	**$ 36**	$ 19
Stock options	**6**	4
Employee stock purchase plan	**2**	2
Stock-based compensation expense	**44**	25
Tax benefit	**(5)**	(3)
Stock-based compensation expense (net of tax)	**$ 39**	$ 22

Stock-based compensation expense is recognized in the financial statements based upon grant date fair value.

On February 23, 2021, the Company granted market-based restricted stock units with 50% of the award vesting on December 31, 2022 and 50% of the award vesting on December 31, 2023. The number of awards that vest are subject to the performance of the Company's stock price from the date of grant to December 31, 2022. The fair value was determined to be $47.20 based on using a Monte-Carlo simulation model and will be recognized over the requisite service period. The table below details the assumptions used in determining the fair value of the market-based restricted stock units.

	For the three months ended March 31, 2021
Dividend yield	**— %**
Risk-free interest rate	**0.10 %**
Expected volatility	**57.20 %**

Expected volatility for the market-based restricted stock units is calculated as the historical volatility of the Company's stock over a period of three years, as management believes this is the best representation of prospective trends. The risk-free interest rate was determined based on a blend of the one year and two years U.S. Treasury yield curves in effect at the time of the grant.

As of March 31, 2021, the total unrecognized compensation cost of $165 million related to unvested restricted stock grants is expected to be recognized over a weighted average period of approximately 1.1 years. As of March 31, 2021, the total unrecognized compensation cost of $37 million related to unvested stock option grants is expected to be recognized over a weighted average period of approximately 0.9 years.

Employee Stock Purchase Plan The Company's Employee Stock Purchase Plan ("ESPP") provides employees a 15% discount on stock purchases using a three-month look-back feature where the discount is applied to the stock price that represents the lower of NCR's closing stock price on either the first day or the last day of each calendar quarter. Participants can contribute between 1% and 10% of their compensation.

For the three months ended March 31, 2021, employees purchased 0.2 million shares, at a discounted price of $30.82. For the three months ended March 31, 2020, employees purchased 0.5 million shares, at a discounted price of $15.05.

8. EMPLOYEE BENEFIT PLANS

Components of net periodic benefit cost (income) of the pension plans for the three months ended March 31 were as follows:

	U.S. Pension Benefits		International Pension Benefits		Total Pension Benefits	
In millions	2021	2020	2021	2020	2021	2020
Net service cost	**$ —**	$ —	**$ 1**	$ 1	**$ 1**	$ 1
Interest cost	**9**	13	**2**	4	**11**	17
Expected return on plan assets	**(8)**	(9)	**(6)**	(7)	**(14)**	(16)
Amortization of prior service cost	**—**	—	**—**	—	**—**	—
Net periodic benefit cost (income)	**$ 1**	$ 4	**$ (3)**	$ (2)	**$ (2)**	$ 2

Components of the benefit from the postretirement plan for the following periods were:

In millions	Three months ended March 31	
	2021	**2020**
Interest cost	**$ —**	$ —
Amortization of:		
Prior service benefit	**—**	(1)
Actuarial loss	**—**	—
Net postretirement benefit	**$ —**	$ (1)

Components of the net cost of the postemployment plan for the following periods were:

In millions	Three months ended March 31	
	2021	**2020**
Net service cost	**$ 6**	$ 6
Interest cost	**1**	—
Amortization of:		
Prior service benefit	**(1)**	—
Actuarial gain	**—**	(1)
Net benefit cost	**$ 6**	$ 5

Employer Contributions

Pension For the three months ended March 31, 2021, NCR contributed $4 million to its international pension plans. NCR anticipates contributing an additional $21 million to its international pension plans for a total of $25 million in 2021.

Postretirement For the three months ended March 31, 2021, NCR made zero contributions to its U.S. postretirement plan. NCR anticipates contributing an additional $2 million to its U.S. postretirement plan for a total of $2 million in 2021.
Postemployment For the three months ended March 31, 2021, NCR contributed $10 million to its postemployment plan. NCR anticipates contributing an additional $29 million to its postemployment plan for a total of $39 million in 2021.

9. COMMITMENTS AND CONTINGENCIES

In the normal course of business, NCR is subject to various proceedings, lawsuits, claims and other matters, including, for example, those that relate to the environment and health and safety, labor and employment, employee benefits, import/export compliance, intellectual property, data privacy and security, product liability, commercial disputes and regulatory compliance, among others. Additionally, NCR is subject to diverse and complex laws and regulations, including those relating to corporate governance, public disclosure and reporting, environmental safety and the discharge of materials into the environment, product safety, import and export compliance, data privacy and security, antitrust and competition, government contracting, anti-corruption, and labor and human resources, which are rapidly changing and subject to many possible changes in the future. Compliance with these laws and regulations, including changes in accounting standards, taxation requirements, and federal securities laws among others, may create a substantial burden on, and substantially increase costs to NCR or could have an impact on NCR's future operating results. The Company has reflected all liabilities when a loss is considered probable and reasonably estimable in the Condensed Consolidated Financial Statements. We do not believe there is a reasonable possibility that losses exceeding amounts already recognized have been incurred, but there can be no assurances that the amounts required to satisfy alleged liabilities from such matters will not impact future operating results. Other than as stated below, the Company does not currently expect to incur material capital expenditures related to such matters. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various lawsuits, claims, legal proceedings and other matters, including, but not limited to the Fox River and Kalamazoo River environmental matters and other matters discussed below, and to comply with applicable laws and regulations, will not exceed the amounts reflected in NCR’s Condensed Consolidated Financial Statements or will not have a material adverse effect on its consolidated results of operations, capital expenditures, competitive position, financial condition or cash flows.

Boston Consulting Group On November 6, 2019, Boston Consulting Group, Inc., a former consultant for the Company, commenced a lawsuit against the Company in the United States District Court for the District of New York. The Complaint in the matter alleges the Company breached two consulting agreements and sought in excess of $80 million and other compensatory damages and equitable relief. The Company believed the allegations of money owed were grossly overstated, and the Company vigorously defended this lawsuit. In December 2020, the parties engaged in mediation directed to settlement of this matter, and in January 2021, the parties agreed to a final settlement. In April 2021, this lawsuit was dismissed, and the matter is now closed.

Environmental Matters NCR's facilities and operations are subject to a wide range of environmental protection laws, and NCR has investigatory and remedial activities underway at a number of facilities that it currently owns or operates, or formerly owned or operated, to comply, or to determine compliance, with such laws. Also, NCR has been identified, either by a government agency or by a private party seeking contribution to site clean-up costs, as a potentially responsible party (PRP) at a number of sites pursuant to various state and federal laws, including the Federal Water Pollution Control Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and comparable state statutes. Other than the Fox River matter, the Kalamazoo River matter and the Ebina matter discussed below, we currently do not anticipate material expenses and liabilities from these environmental matters.

Fox River NCR is one of eight entities that were formally notified by governmental and other entities, such as local Native American tribes, that they are PRPs for environmental claims (under CERCLA and other statutes) arising out of the presence of polychlorinated biphenyls (PCBs) in sediments in the lower Fox River and in the Bay of Green Bay in Wisconsin. The other Fox River PRPs that received notices include Appleton Papers Inc. (API; now known as Appvion, Inc.), P.H. Glatfelter Company ("Glatfelter"), Georgia-Pacific Consumer Products LP (GP, successor to Fort James Operating Company), and others. NCR was identified as a PRP because of alleged PCB discharges from two carbonless copy paper manufacturing facilities it previously owned, which were located along the Fox River. NCR sold its facilities in 1978 to API. The parties have also contended that NCR is responsible for PCB discharges from paper mills owned by other companies because NCR carbonless copy paper "broke" was allegedly purchased by those other mills as a raw material.

The United States Environmental Protection Agency (USEPA) and Wisconsin Department of Natural Resources (together, the Governments) developed clean-up plans for the upper and lower parts of the Fox River and for portions of the Bay of Green Bay. On November 13, 2007, the Governments issued a unilateral administrative order (the 2007 Order) under CERCLA to the eight original PRPs, requiring them to perform remedial work under the Governments' clean-up plan for the lower parts of the river (operable units 2 through 5). In April 2009, NCR and API formed a limited liability company (the LLC), which entered into an agreement with an environmental remediation contractor to perform the work at the Fox River site. In-water dredging and remediation under the clean-up plan commenced shortly thereafter.

NCR and API, along with B.A.T Industries p.l.c. (BAT), share among themselves a portion of the cost of the Fox River clean-up and natural resource damages (NRD) based upon a 1998 agreement (the Cost Sharing Agreement), a 2005 arbitration award (subsequently confirmed as a judgment), and a September 30, 2014 Funding Agreement (the Funding Agreement). The Cost Sharing Agreement and the arbitration resolved disputes that arose out of the Company's 1978 sale of its Fox River facilities to API. The Cost Sharing Agreement and arbitration award resulted in a 45% share for NCR of the first $75 million of such costs (a threshold that was reached in 2008), and a 40% share for amounts in excess of $75 million. The Funding Agreement arose out of a 2012 to 2014 arbitration dispute between NCR and API, and provides for regular, ongoing funding of NCR-incurred Fox River remediation costs via contributions, made to a new limited liability corporation created by the Funding Agreement, by BAT, API and, for 2014, API's indemnitor, Windward Prospects. The Funding Agreement creates an obligation on BAT and API to fund 50% of NCR's Fox River remediation costs from October 1, 2014 forward; (API's Fox River-related obligations under the Funding Agreement were fully satisfied in 2016); the Funding Agreement also provides NCR contractual avenues for payment of, via direct and third-party sources, (1) the difference between BAT's and API's 60% obligation under the Cost Sharing Agreement and arbitration award on the one hand and their ongoing (since September 2014) 50% payments under the Funding Agreement on the other, as well as (2) the difference between the amount NCR received under the Funding Agreement and the amount owed to it under the Cost Sharing Agreement and arbitration award for the period from April 2012 through September 2014. As of March 31, 2021 and December 31, 2020, the receivable under the Funding Agreement was approximately $54 million, respectively, and was included in other assets in the Condensed Consolidated Balance Sheet. The Company anticipates that it will collect sums related to the receivable after 2021, subject and pursuant to the terms of the Funding Agreement and related agreements. This receivable is not taken into account in calculating the Company's Fox River net reserve.

The Company's litigations relating to contribution and enforcement claims concerning the Fox River have been concluded. A proposed consent decree settlement (the CD settlement) with respect to the contribution action (a case originally filed by NCR and API) and the government enforcement action (a case originally filed by the federal and state governments against several PRPs, including the Company) was successfully negotiated by NCR and the federal and state governments and was approved on August 22, 2017 by the federal district court in Wisconsin that had been presiding over those cases. A final order of dismissal as to the Company in the contribution and government enforcement actions was subsequently entered; one party, Glatfelter, had appealed the approval of the CD settlement. On January 3, 2019, the United States lodged a proposed consent decree with the Wisconsin court, reflecting a settlement reached by the United States, Wisconsin and Glatfelter with respect to Glatfelter’s Fox River liability under the government enforcement action; a component of that settlement was withdrawal of Glatfelter’s appeal opposing the Company’s CD settlement. On March 14, 2019, the Wisconsin court approved the Glatfelter consent decree, and on April 3, 2019, Glatfelter's appeal was dismissed.

The CD settlement has now resolved the remaining Fox River-related contribution and enforcement claims against the Company. The key components of the approved CD settlement include (1) the Company’s commitment to complete the remediation of the Fox River, which has now been completed; (2) the Company’s conditional agreement to waive its contribution claims against the two remaining defendants in the case, GP and Glatfelter; (3) the Company’s agreement not to appeal the trial court’s decision on divisibility of harm; (4) the Governments’ agreement to include in the settlement so-called “contribution protection” in the Company’s favor as to GP’s and Glatfelter’s contribution claims against the Company, the effect of which will be to extinguish those claims; (5) the Governments’ agreement not to pursue the Company for the Governments’ past oversight costs; and (6) the Governments’ agreement to exercise prosecutorial discretion in pursuing other parties for future oversight costs and long-term monitoring and maintenance, with the Company retaining so-called “backstop” liability in the event that the other parties fail to pay future oversight costs or to perform long-term monitoring and maintenance. Additionally, although certain state law claims by GP and Glatfelter against the Company may not be affected directly by the CD settlement, the CD settlement provides that the Company’s contribution claims against those two parties will revive if those parties attempt to assert any claims against the Company relating to the Fox River, including any state law claims.

In the quarter ending September 30, 2017, the remediation general contractor commenced an arbitration against the LLC, in a dispute over contract interpretation. The hearing on this matter was completed in June 2019, and the parties submitted post-trial briefs in August 2019. The amounts claimed by the contractor range from approximately $46 million to approximately $53 million; the Company disputed the claims and contested them vigorously during the hearing. In November 2019, having rejected substantial portions of the claims, the arbitration panel awarded the contractor approximately $10 million. The Company’s indemnitors and co-obligors, described below, were responsible for the majority of the award, with the Company’s share being approximately 25% of the award.

With respect to the Company’s prior dispute with API, which was generally superseded by the Funding Agreement, the Company received timely payments as they came due under the Funding Agreement. Although API filed for bankruptcy protection in October 2017, it had made all of the payments to the Company in connection with the Fox River that are required of it by the Funding Agreement.

NCR's eventual remediation liability, followed by long-term monitoring expected to be performed by others, will depend on a number of factors. In establishing the reserve, NCR attempts to estimate a range of reasonably possible outcomes for each of these factors, although each range is itself uncertain. NCR uses its best estimate within the range, if that is possible. Where there is a range of equally possible outcomes, and there is no amount within that range that is considered to be a better estimate than any other amount, NCR uses the low end of the range. The significant factors include: (1) the total remaining site costs, including the costs associated with decommissioning the site, the expected cost impact of which is expected to be neutral or non-material to the Company, including long-term monitoring following completion of the clean-up, and what parties are assigned to discharge the post-clean-up tasks (as noted, the Company no longer expects to bear long-term monitoring costs); (2) total NRD for the site and the share that NCR will bear (which is now resolved as to the Company); (3) the share of clean-up costs that NCR will bear (which is resolved under the CD settlement); (4) NCR's transaction and litigation costs to defend itself to the extent additional litigation is required with respect to claims brought by the general contractor; and (5) the share of NCR's payments that BAT will bear (which is governed by the Cost Sharing Agreement and the Funding Agreement, BAT has made all of the payments requested of it, and as discussed above; API is in bankruptcy and is not presumed likely to bear further shares of NCR’s payments). With respect to NRD, in connection with a certain settlement entered into by other PRPs in 2015, the Government withdrew the NRD claims it had prosecuted on behalf of NRD trustees, including those NRD claims asserted against the Company.

Calculation of the Company's Fox River reserve is subject to several complexities, and it is possible there could be additional changes to some elements of the reserve over upcoming periods, although the Company is unable to predict or estimate such changes at this time. There can be no assurance that the clean-up and related expenditures and liabilities will not have a material effect on NCR's capital expenditures, earnings, financial condition, cash flows, or competitive position. As of March 31, 2021 and December 31, 2020, the gross reserve for the Fox River matter was approximately $6 million, respectively. As of March 31, 2021 and December 31, 2020, the net reserve for the Fox River matter was approximately $28 million, respectively. NCR contributes to the LLC to fund remediation activities and generally, by contract, has funded certain amounts of remediation expenses in advance. As of March 31, 2021 and December 31, 2020, approximately zero remained from this funding, respectively. NCR's reserve for the Fox River matter is reduced as the LLC makes payments to the remediation contractor and other vendors with respect to remediation activities.

Under a 1996 agreement, AT&T Corp. (AT&T) and Nokia (as the successor to Lucent Technologies and Alcatel-Lucent USA) are responsible severally (not jointly) for indemnifying NCR for certain portions of the amounts paid by NCR for the Fox River matter over a defined threshold and subject to certain offsets. (The agreement governs certain aspects of AT&T's divestiture of NCR and of what was then known as Lucent Technologies.) Those companies have made the payments requested of them by the Company on an ongoing basis.

Kalamazoo River In November 2010, USEPA issued a "general notice letter" to NCR with respect to the Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site (Kalamazoo River site) in Michigan. Three other companies - International Paper, Mead Corporation, and Consumers Energy - also received general notice letters at or about the same time. USEPA asserts that the site is contaminated by various substances, primarily PCBs, as a result of discharges by various paper mills located along the river. USEPA does not claim that the Company made direct discharges into the Kalamazoo River, and NCR never had facilities at or near the Kalamazoo River site, but USEPA indicated that "NCR may be liable under Section 107 of CERCLA ... as an arranger, who by contract or agreement, arranged for the disposal, treatment and/or transportation of hazardous substances at the Site." USEPA stated that it "may issue special notice letters to [NCR] and other PRPs for future RI/FS [remedial investigation / feasibility studies] and RD/RA [remedial design / remedial action] negotiations."

In connection with the Kalamazoo River site, in December 2010 the Company, along with two other defendants, was sued in federal court by three Georgia-Pacific (GP) affiliate corporations in a private-party contribution and cost recovery action for alleged pollution. The suit, pending in Michigan, asks that the Company and other defendants pay a "fair portion" of these companies’ costs. Various removal and remedial actions remain to be decided upon and performed at the Kalamazoo River site, the total costs for which generally remain undetermined; in 2017 Records of Decisions were issued for two parts of the river, and in 2018 such a decision was issued for another part of the river, but such decisions for the majority of the work are expected to be made only over the next several years. The suit alleges that the Company is liable to the GP entities as an "arranger" under CERCLA. The initial phase of the case was tried in a Michigan federal court in February 2013; on September 26, 2013 the court issued a decision that held NCR was liable as an “arranger” as of at least March 1969. (PCB-containing carbonless copy paper was produced from approximately 1954 to April 1971, and the majority of contamination at the Kalamazoo River site had occurred prior to 1969). NCR preserved its right to appeal the September 2013 decision.

In the 2013 decision, the Court did not determine NCR’s share of the overall liability. Relative shares of liability for the four companies were tried to the court in a subsequent phase of the case in December 2015. In a ruling issued on March 29, 2018, the court addressed responsibility for the costs that GP had incurred in the past, totaling to approximately $50 million (GP had sought approximately $105 million, but $55 million of those claims were removed by the court upon motions filed by the Company and other parties); NCR and GP were each assigned a 40% share of those costs, and the other two companies were assigned 15% and 5% as their allocations. The court entered a judgment in the case on June 19, 2018, in which it indicated that it would not allocate future costs, but would enter a declaratory judgment that the four companies together had responsibility for future costs, in amounts and shares to be determined. Cross-proceedings have been commenced to obtain recoveries from the other parties pursuant to the judgment; those proceedings were stayed pending the appeal referenced below.

In July 2018, the Company appealed to the United States Court of Appeals for the Sixth Circuit both the 2013 court decision, which it believes is in conflict with a decision from the Fox River trial court as to Operable Unit 1 of that site and an affirmance of that decision from the Court of Appeals for the Seventh Circuit, and the 2018 court decision, on various legal grounds. The Company filed a bond to stay any execution of the judgment pending the appeal, and its application for a stay was approved by the court and remains stayed until the Company filed its dismissal of the appeal on December 31, 2020 pursuant to a Consent Decree, noted below.

During the pendency of the Sixth Circuit stay, the Company negotiated a settlement of the Kalamazoo River matter with the USEPA and other government agencies having oversight over the river. On December 5, 2019, the Company entered into a Consent Decree, filed with the District Court on December 11, 2019, and on December 2, 2020, the District Court approved the Consent Decree, which has now resolved all litigation associated with the river clean-up, including the Sixth Circuit appeal. The

Consent Decree requires the Company to pay GP its 40% share of past costs, to pay the USEPA and state agencies their past and future administrative costs, and to dismiss its Sixth Circuit appeal. The Consent Decree further requires the Company to take responsibility for the remediation of a portion, but not all, of the Kalamazoo River. The Consent Decree further provides the Company protection from other PRPs, including GP, seeking contribution for their costs associated with the clean-up anywhere on the river, thereby resolving the allocation of future costs left unresolved by the June 19, 2019 judgment.

NCR expects to have claims against BAT and API under the Funding Agreement, discussed above for the Kalamazoo River remediation expenses. API filed for bankruptcy protection in October 2017, and thus payment of its potential share under the Funding Agreement for so-called “future sites,” which would include the Kalamazoo River site, may be at risk, but as liability under the Cost Sharing Agreement and the Funding Agreement is joint and several, the bankruptcy is not anticipated to affect the Company’s ability to seek that amount from BAT. The Company will also have indemnity or reimbursement claims against AT&T and Nokia under the arrangement discussed above in connection with the Fox River matter after expenses have met a contractual threshold set out in the 1996 agreement referenced above in the Fox River discussion.

As of March 31, 2021 and December 31, 2020, the total reserve for Kalamazoo was $122 million and $164 million, respectively. That figure is reported on a basis that is net of expected contributions from the Company's co-obligors and indemnitors, subject to when the applicable threshold is reached. While the Company believes its co-obligors' and indemnitors' obligations are as previously reported, the reserve reflects changes in positions taken by some of those co-obligors and indemnitors with respect to the Kalamazoo River. The contributions from its co-obligors and indemnitors are expected to range from $70 million to $140 million and the Company will continue to pursue such contribution.

As many aspects of the costs of remediation will not be determined for several years (and thus the high end of a range of possible costs for many areas of the site cannot be quantified at this time), the Company has made what it considers to be reasonable estimates of the low end of a range for such costs where remedies are identified, and/or of the costs of investigations and studies for areas of the river where remedies have not yet been determined, and the reserve is informed by those estimates. The extent of NCR’s potential liability remains subject to many uncertainties, notwithstanding the settlement of this matter and related Consent Decree noted above, particularly inasmuch as remedy decisions and cost estimates will not be generated until times in the future and as most of the work to be performed will take place through the 2030s. Under other assumptions or estimates for possible costs of remediation, which the Company does not at this point consider to be reasonably estimable or verifiable, it is possible that the reserve the Company has taken to discontinued operations reflected in this paragraph could more than approximately double the reflected reserve.

Ebina The Company is engaged in cooperative regulatory compliance activities with the government of Japan in connection with certain environmental contaminants generated in its past operations in that country. The Company has quantities of PCB and other wastes primarily from its former plant at Oiso, Japan, including capsulated undiluted solutions manufactured in the past, capacitors, light ballasts and PCB-affected soil from the Oiso plant that was excavated and placed in steel drums. These wastes are stored in a facility at Ebina, Japan in accordance with Japanese regulations governing such materials. Over the past several years Japan has enacted and amended legislation governing such wastes, and has set a current deadline for treating and disposing of (at government-constructed disposal facilities) the highest-concentration wastes by 2027. Lower-concentration wastes can be and have been disposed of via private contractors, and as of the period ended March 31, 2021, NCR had disposed of approximately one-half of its lower-concentration wastes.

The Company and its consultants have met and communicated regularly with the Japanese agency charged with administration of the law, and are working with that agency on a program to manage disposal of the high-concentration wastes, including tests of technologies to make the disposal more efficient. Pending final government approvals, the Company expects to begin disposal of high-concentration wastes in early 2021, with final deadlines for various of the government-constructed disposal sites currently set for 2022, 2023 and later. Low-concentration wastes are required to be contracted for disposal by 2027, a timetable that the Company expects to meet. In September 2019, the Company’s environmental consultants, following a series of communications and meetings with the Japanese agency, at the Company’s request prepared an estimate of remaining disposal costs over the coming several years. While the estimate is subject to a range of assumptions and uncertainties, including prospects of cost reduction in coordination with the agency as certain field testing to separate high-concentration and low-concentration waste progresses over the coming years, the Company has adjusted its existing reserve for the matter to take into account this cost estimate, and that reserve as of March 31, 2021 is $19 million compared to $20 million at December 31, 2020. The Japan environmental waste issue is treated as a compliance matter and not as litigation or enforcement, and the Company has received no threats of litigation or enforcement.

Environmental-Related Insurance Recoveries In connection with the Fox River and other environmental sites, through March 31, 2021, NCR has received a combined gross total of approximately $202 million in settlements reached with various of its insurance carriers. Portions of many of these settlements agreed in the 2010 through 2013 timeframe are payable to a law firm that litigated the claims on the Company's behalf. Some of the settlements cover not only the Fox River but also other environmental sites; some are limited to either the Fox River or the Kalamazoo River site. Some of the settlements are directed to defense costs and some are directed to indemnity; some settlements cover both defense costs and indemnity. The Company does not anticipate that further material insurance recoveries specific to Kalamazoo River remediation costs will be available to it, but is currently in settlement discussions with certain carriers over amounts potentially owed to the Company. Claims with respect to Kalamazoo River defense costs have now been settled, with the amounts of those settlements included in the sum reported above.

Environmental Remediation Estimates It is difficult to estimate the future financial impact of environmental laws, including potential liabilities. NCR records environmental provisions when it is probable that a liability has been incurred and the amount or range of the liability is reasonably estimable in accordance with accounting guidance, where liabilities are not expected to be quantifiable or estimable for a period of years, the estimated costs of investigating those liabilities are recorded as a component of the reserve for that particular site. Provisions for estimated losses from environmental restoration and remediation are, depending on the site, based generally on internal and third-party environmental studies, estimates as to the number and participation level of other PRPs, the extent of contamination, estimated amounts for attorney and other fees, and the nature of required clean-up and restoration actions. Reserves are adjusted as further information develops or circumstances change. Management expects that the amounts reserved from time to time will be paid out over the period of investigation, negotiation, remediation and restoration for the applicable sites. The amounts provided for environmental matters in NCR's Condensed Consolidated Financial Statements are the estimated gross undiscounted amounts of such liabilities, without deductions for indemnity insurance, third-party indemnity claims or recoveries from other PRPs, except as qualified in the following sentences. In those cases where insurance carriers or third-party indemnitors have agreed to pay any amounts and management believes that collectability of such amounts is probable, the amounts are recorded in the Condensed Consolidated Financial Statements. For the Fox River and Kalamazoo River sites, as described above, assets relating to the AT&T and Nokia indemnities and to the BAT obligations are recorded as payment is supported by contractual agreements, public filings and/or payment history.

Guarantees and Product Warranties In the ordinary course of business, NCR may issue performance guarantees on behalf of its subsidiaries to certain of its customers and other parties. Some of those guarantees may be backed by standby letters of credit, surety bonds, or similar instruments. In general, under the guarantees, NCR would be obligated to perform, or cause performance, over the term of the underlying contract in the event of an unexcused, uncured breach by its subsidiary, or some other specified triggering event, in each case as defined by the applicable guarantee. NCR believes the likelihood of having to perform under any such guarantee is remote. As of March 31, 2021 and December 31, 2020, NCR had no material obligations related to such guarantees, and therefore its Condensed Consolidated Financial Statements do not have any associated liability balance.

NCR provides its customers a standard manufacturer’s warranty and records, at the time of the sale, a corresponding estimated liability for potential warranty costs. Estimated future obligations due to warranty claims are based upon historical factors, such as labor rates, average repair time, travel time, number of service calls per machine and cost of replacement parts. When a sale is consummated, the total customer revenue is recognized, provided that all revenue recognition criteria are otherwise satisfied, and the associated warranty liability is recorded using pre-established warranty percentages for the respective product classes.

From time to time, product design or quality corrections are accomplished through modification programs. When identified, associated costs of labor and parts for such programs are estimated and accrued as part of the warranty reserve.

The Company recorded the activity related to the warranty reserve for the three months ended March 31 as follows:

In millions	2021	2020
Warranty reserve liability		
Beginning balance as of January 1	**$ 18**	$ 21
Accruals for warranties issued	**7**	8
Settlements (in cash or in kind)	**(7)**	(11)
Ending balance as of March 31	**$ 18**	$ 18

In addition, NCR provides its customers with certain indemnification rights. In general, NCR agrees to indemnify the customer if a third party asserts patent or other infringement on the part of its customers for its use of the Company’s products subject to certain conditions that are generally standard within the Company’s industries. On limited occasions the Company will undertake additional indemnification obligations for business reasons. From time to time, NCR also enters into agreements in connection with its acquisition and divestiture activities that include indemnification obligations by the Company. The fair value of these indemnification obligations is not readily determinable due to the conditional nature of the Company's potential obligations and the specific facts and circumstances involved with each particular agreement. The Company has not recorded a liability in connection with these indemnifications, and no current indemnification instance is material to the Company's financial position. Historically, payments made by the Company under these types of agreements have not had a material effect on the Company's condensed consolidated financial condition, results of operations or cash flows.

Purchase Commitments The Company has purchase commitments for materials, supplies, services, and property, plant and equipment as part of the normal course of business. This includes a long-term service agreement with Accenture, under which many of NCR's key transaction processing activities and functions are performed.

10. LEASING

Lessee We lease property, vehicles and equipment under operating and financing leases. For leases with terms greater than 12 months, we record the related asset and obligation at the present value of lease payments over the term. We determine the lease term by assuming the exercise of renewal options that are reasonably certain. Leases with a lease term 12 months or less at inception are not recorded on our Condensed Consolidated Balance Sheet and are expensed on a straight-line basis over the lease term in our Condensed Consolidated Statement of Operations. Our leases may include rental escalation clauses, renewal options and/or termination options that are factored into our determination of lease payments when appropriate. When available, we use the rate implicit in the lease to discount lease payments to present value; however, most of our leases do not provide a readily determinable implicit rate. Therefore, we must estimate our incremental borrowing rate to discount the lease payments based on information available at lease commencement. Our incremental borrowing rate is based on a credit-adjusted risk-free rate at commencement date, which best approximates a secured rate over a similar term of lease. Additionally, we do not separate lease and non-lease components for any asset classes, except for those leases embedded in certain service arrangements. Fixed and in-substance fixed payments are included in the recognition of the operating and financing assets and lease liabilities, however, variable lease payments, other than those based on a rate or index, are recognized in the Condensed Consolidated Statements of Operations in the period in which the obligation for those payments is incurred. The Company's variable lease payments generally relate to payments tied to various indices, non-lease components and payments above a contractual minimum fixed payment.

The following table presents our lease balances as of March 31, 2021 and December 31, 2020:

In millions	Location in the Condensed Consolidated Balance Sheet	March 31, 2021	December 31, 2020
Assets			
Operating lease assets	Operating lease assets	**$ 396**	$ 344
Finance lease assets	Property, plant and equipment, net	**63**	55
Accumulated amortization of finance lease assets	Property, plant and equipment, net	**(23)**	(18)
Total leased assets		**$ 436**	$ 381
Liabilities			
Current			
Operating lease liabilities	Other current liabilities	**$ 90**	$ 85
Finance lease liabilities	Other current liabilities	**17**	15
Noncurrent			
Operating lease liabilities	Operating lease liabilities	**377**	325
Finance lease liabilities	Other liabilities	**25**	23
Total lease liabilities		**$ 509**	$ 448

The following tables present our lease costs for operating and finance leases:

In millions	Three months ended March 31 2021	2020
Operating lease cost	**$ 31**	$ 32
Finance lease cost		
Amortization of leased assets	**4**	3
Interest on lease liabilities	**—**	—
Short-Term lease cost	**1**	1
Variable lease cost	**6**	7
Total lease cost	**$ 42**	$ 43

The following tables present the supplemental cash flow information:

In millions	Three months ended March 31 2021	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	**$ 31**	$ 30
Operating cash flows from finance leases	**$ —**	$ —
Financing cash flows from finance leases	**$ 4**	$ 3
Lease Assets Obtained in Exchange for Lease Obligations		
Operating Leases	**$ 69**	$ (2)
Finance Leases	**$ 1**	$ 8

The following table reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the finance lease liabilities and operating lease liabilities recorded on the Condensed Consolidated Balance Sheet as of March 31, 2021:

In millions	Operating Leases	Finance Leases
Remainder of 2021	$ 89	$ 14
2022	88	17
2023	62	10
2024	51	3
2025	43	—
Thereafter	279	—
Total lease payments	612	44
Less: Amount representing interest	(145)	(2)
Present value of lease liabilities	$ 467	$ 42

The following table presents the weighted average remaining lease term and interest rates:

	March 31, 2021	December 31, 2020
Weighted average lease term:		
Operating leases	**8.8 years**	8.7 years
Finance leases	**2.6 years**	2.7 years
Weighted average interest rates:		
Operating leases	**5.90 %**	6.45 %
Finance leases	**4.02 %**	4.59 %

Lessor We have various arrangements for certain point-of-sale equipment under which we are the lessor. These leases meet the criteria for operating lease classification. Lease income associated with these leases is not material.

11. SERIES A CONVERTIBLE PREFERRED STOCK

Holders of Series A Convertible Preferred Stock are entitled to a cumulative dividend at the rate of 5.5% per annum, payable quarterly in arrears. Beginning in the first quarter of 2020, dividends are payable in cash or in-kind at the option of the Company. If the Company does not declare and pay a dividend, the dividend rate will increase to 8.0% per annum until all accrued but unpaid dividends have been paid in full. During the three months ended March 31, 2021 and 2020, the Company paid cash dividends of $4 million and $6 million, respectively.

The Series A Convertible Preferred Stock is convertible at the option of the holders at any time into shares of common stock at a conversion price of $30.00 per share, or a conversion rate of 33.333 shares of common stock per share of Series A Convertible Preferred Stock. As of March 31, 2021, the maximum number of common shares that could be required to be issued upon conversion of the outstanding shares of Series A Convertible Preferred Stock was 9.2 million shares.

12. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing net income or loss attributable to NCR, less any dividends (declared or cumulative undeclared), deemed dividends, accretion or decretion, redemption or induced conversion on our Series A Convertible Preferred Stock, by the weighted average number of shares outstanding during the period.

In computing diluted EPS, we adjust the numerator used in the basic EPS computation, subject to anti-dilution requirements, to add back the dividends (declared or cumulative undeclared), deemed dividends, accretion or decretion, redemption or induced conversion on our Series A Convertible Preferred Stock. We adjust the denominator used in the basic EPS computation, subject to anti-dilution requirements, to include the dilution from potential shares related to the Series A Convertible Preferred Stock and stock-based compensation plans.

The holders of Series A Convertible Preferred Stock, unvested restricted stock units and stock options do not have nonforfeitable rights to common stock dividends or common stock dividend equivalents. Accordingly, the Series A Convertible Preferred Stock, unvested restricted stock units and stock options do not qualify as participating securities. See Note 7, Stock Compensation Plans for share information on NCR's stock compensation plans.

The components of basic earnings per share are as follows:

	Three months ended March 31	
In millions, except per share amounts	**2021**	**2020**
Numerator:		
Income from continuing operations	**$ 30**	$ 23
Dividends on Series A Convertible Preferred Stock	**(4)**	(6)
Income from continuing operations attributable to NCR common stockholders	**26**	17
Loss from discontinued operations, net of tax	**—**	—
Net income attributable to NCR common stockholders	**$ 26**	$ 17
Denominator:		
Basic weighted average number of shares outstanding	**130.0**	128.0
Basic earnings per share:		
From continuing operations	**$ 0.20**	$ 0.13
From discontinued operations	**—**	—
Total basic earnings per share	**$ 0.20**	$ 0.13

The components of diluted earnings per share are as follows:

	Three months ended March 31	
In millions, except per share amounts	**2021**	**2020**
Numerator:		
Income from continuing operations	**$ 30**	$ 23
Dividends on Series A Convertible Preferred Stock	**(4)**	(6)
Income from continuing operations attributable to NCR common stockholders	**26**	17
Loss from discontinued operations, net of tax	**—**	—
Net income attributable to NCR common stockholders	**$ 26**	$ 17
Denominator:		
Basic weighted average number of shares outstanding	**130.0**	128.0
Dilutive effect of restricted stock units and stock options	**4.7**	2.5
Weighted average diluted shares	**134.7**	130.5
Diluted earnings per share:		
From continuing operations	**$ 0.19**	$ 0.13
From discontinued operations	**—**	—
Total diluted earnings per share	**$ 0.19**	$ 0.13

For the three months ended March 31, 2021, shares related to the as-if converted Series A Convertible Preferred Stock of 9.2 million were excluded from the diluted share count because their effect would have been anti-dilutive. For the three months ended March 31, 2021, weighted average restricted stock units and stock options of 5.0 million were excluded from the diluted share count because their effect would have been anti-dilutive.

For the three months ended March 31, 2020, shares related to the as-if converted Series A Convertible Preferred Stock of 13.2 million were excluded from the diluted share count because their effect would have been anti-dilutive. For the three months ended March 31, 2020, weighted average restricted stock units and stock options of 7.8 million were excluded from the diluted share count because their effect would have been anti-dilutive.

13. DERIVATIVES AND HEDGING INSTRUMENTS

NCR is exposed to risks associated with changes in foreign currency exchange rates and interest rates. NCR utilizes a variety of measures to monitor and manage these risks, including the use of derivative financial instruments. NCR has exposure to approximately 50 functional currencies. Since a substantial portion of our operations and revenue occur outside the U.S., and in currencies other than the U.S. Dollar, our results can be significantly impacted, both positively and negatively, by changes in foreign currency exchange rates.

Foreign Currency Exchange Risk

The accounting guidance for derivatives and hedging requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the Condensed Consolidated Balance Sheets. The Company designates foreign exchange contracts as cash flow hedges of forecasted transactions when they are determined to be highly effective at inception.

Our risk management strategy includes hedging, on behalf of certain subsidiaries, a portion of our forecasted, non-functional currency denominated cash flows for a period of up to 15 months. As a result, some of the impact of currency fluctuations on non-functional currency denominated transactions (and hence on subsidiary operating income, as stated in the functional currency), is mitigated in the near term. The amount we hedge and the duration of hedge contracts may vary significantly. In the longer term (greater than 15 months), the subsidiaries are still subject to the effect of translating the functional currency results to U.S. Dollars. To manage our exposures and mitigate the impact of currency fluctuations on the operations of our foreign subsidiaries, we hedge our main transactional exposures through the use of foreign exchange forward and option contracts. This is primarily done through the hedging of foreign currency denominated inter-company inventory purchases by NCR's marketing units and the foreign currency denominated inputs to our manufacturing units. The related foreign exchange contracts are designated as highly effective cash flow hedges. The gains or losses on these hedges are deferred in accumulated other comprehensive income (AOCI) and reclassified to income when the underlying hedged transaction is recorded in earnings. As of March 31, 2021, the balance in AOCI related to foreign exchange derivative transactions was zero. The gains or losses from derivative contracts related to inventory purchases are recorded in cost of products when the inventory is sold to an unrelated third party.

We also utilize foreign exchange contracts to hedge our exposure of assets and liabilities denominated in non-functional currencies. We recognize the gains and losses on these types of hedges in earnings as exchange rates change. We do not enter into hedges for speculative purposes.

The following tables provide information on the location and amounts of derivative fair values in the Condensed Consolidated Balance Sheets:

	Fair Values of Derivative Instruments					
	March 31, 2021					
In millions	Balance Sheet Location	Notional Amount	Fair Value	Balance Sheet Location	Notional Amount	Fair Value
Derivatives designated as hedging instruments						
Foreign exchange contracts	Other current assets	**$ —**	**$ —**	Other current liabilities	**$ —**	**$ —**
Total derivatives designated as hedging instruments			**$ —**			**$ —**
Derivatives not designated as hedging instruments						
Foreign exchange contracts	Other current assets	**$ 184**	**$ 1**	Other current liabilities	**$ 477**	**$ 2**
Total derivatives not designated as hedging instruments			**$ 1**			**$ 2**
Total derivatives			**$ 1**			**$ 2**

	Fair Values of Derivative Instruments					
	December 31, 2020					
In millions	Balance Sheet Location	Notional Amount	Fair Value	Balance Sheet Location	Notional Amount	Fair Value
Derivatives designated as hedging instruments						
Foreign exchange contracts	Other current assets	$ —	$ —	Other current liabilities	$ —	$ —
Total derivatives designated as hedging instruments			$ —			$ —
Derivatives not designated as hedging instruments						
Foreign exchange contracts	Other current assets	$ 150	$ —	Other current liabilities	$ 425	$ 1
Total derivatives not designated as hedging instruments			$ —			$ 1
Total derivatives			$ —			$ 1

The effects of derivative instruments on the Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2021 and 2020 were as follows:

In millions	Amount of Gain (Loss) Recognized in Other Comprehensive Income (OCI) on Derivative			Amount of (Gain) Loss Reclassified from AOCI into the Condensed Consolidated Statement of Operations	
Derivatives in Cash Flow Hedging Relationships	For the three months ended March 31, 2021	For the three months ended March 31, 2020	Location of (Gain) Loss Reclassified from AOCI into the Condensed Consolidated Statement of Operations	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Foreign exchange contracts	$ —	$ 3	Cost of products	$ —	$ (1)

In millions		Amount of Gain (Loss) Recognized in the Condensed Consolidated Statement of Operations	
		Three months ended March 31	
Derivatives not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in the Condensed Consolidated Statement of Operations	2021	2020
Foreign exchange contracts	Other (expense), net	**$ (15)**	$ 6

Refer to Note 14, Fair Value of Assets and Liabilities for further information on derivative assets and liabilities recorded at fair value on a recurring basis.

Concentration of Credit Risk

NCR is potentially subject to concentrations of credit risk on accounts receivable and financial instruments such as hedging instruments and cash and cash equivalents. Credit risk includes the risk of nonperformance by counterparties. The maximum potential loss may exceed the amount recognized on the Condensed Consolidated Balance Sheets. Exposure to credit risk is managed through credit approvals, credit limits, selecting major international financial institutions (as counterparties to hedging transactions) and monitoring procedures. NCR's business often involves large transactions with customers, and if one or more of those customers were to default on its obligations under applicable contractual arrangements, the Company could be exposed to potentially significant losses. However, management believes that the reserves for expected losses are adequate. As of March 31, 2021, we did not have any significant concentration of credit risk related to financial instruments.

14. FAIR VALUE OF ASSETS AND LIABILITIES

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Assets and liabilities recorded at fair value on a recurring basis as of March 31, 2021 and December 31, 2020 are set forth as follows:

	March 31, 2021			
In millions	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Deposits held in money market mutual funds [1]	**$ 14**	**$ 14**	**$ —**	**$ —**
Foreign investments[2]	**1**	**—**	**1**	**—**
Foreign exchange contracts [2]	**1**	**—**	**1**	**—**
Total	**$ 16**	**$ 14**	**$ 2**	**$ —**
Liabilities:				
Foreign exchange contracts [3]	**$ 2**	**$ —**	**$ 2**	**$ —**
Total	**$ 2**	**$ —**	**$ 2**	**$ —**

	December 31, 2020			
In millions	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Deposits held in money market mutual funds [1]	$ 22	$ 22	$ —	$ —
Foreign investments[2]	2	—	2	—
Foreign exchange contracts [2]	—	—	—	—
Total	$ 24	$ 22	$ 2	$ —
Liabilities:				
Foreign exchange contracts [3]	$ 1	$ —	$ 1	$ —
Total	$ 1	$ —	$ 1	$ —

(1) Included in Cash and cash equivalents in the Condensed Consolidated Balance Sheets.
(2) Included in Other current assets in the Condensed Consolidated Balance Sheets.
(3) Included in Other current liabilities in the Condensed Consolidated Balance Sheets.

Deposits Held in Money Market Mutual Funds A portion of the Company’s excess cash is held in money market mutual funds that generate interest income based on prevailing market rates. Money market mutual fund holdings are measured at fair value using quoted market prices and are classified within Level 1 of the valuation hierarchy.

Foreign Investments The investments primarily include an investment fund similar to a mutual fund. The investments are valued using observable, either directly or indirectly, inputs for substantially the full term of the assets and are classified within Level 2 of the valuation hierarchy.

Foreign Exchange Contracts As a result of our global operating activities, we are exposed to risks from changes in foreign currency exchange rates, which may adversely affect our financial condition. To manage our exposures and mitigate the impact of currency fluctuations on our financial results, we hedge our primary transactional exposures through the use of foreign exchange forward and option contracts. The foreign exchange contracts are valued using the market approach based on observable market transactions of forward rates and are classified within Level 2 of the valuation hierarchy.

Assets Measured at Fair Value on a Non-recurring Basis

From time to time, certain assets are measured at fair value on a nonrecurring basis using significant unobservable inputs (Level 3). NCR reviews the carrying values of investments when events and circumstances warrant and considers all available evidence in evaluating when declines in fair value are other-than-temporary declines. There were no material impairment charges or non-recurring fair value adjustments recorded during the three months ended March 31, 2021 and 2020.

15. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (AOCI)

Changes in AOCI by Component

In millions	Currency Translation Adjustments	Changes in Employee Benefit Plans	Changes in Fair Value of Effective Cash Flow Hedges	Total
Balance as of December 31, 2020	**$ (245)**	**$ (26)**	**$ —**	**$ (271)**
Other comprehensive income (loss) before reclassifications	(7)	—	—	(7)
Amounts reclassified from AOCI	—	(1)	—	(1)
Net current period other comprehensive (loss) income	(7)	(1)	—	(8)
Balance as of March 31, 2021	**$ (252)**	**$ (27)**	**$ —**	**$ (279)**

Reclassifications Out of AOCI

	For the three months ended March 31, 2021			
	Employee Benefit Plans			
In millions	Amortization of Actuarial Loss (Gain)	Amortization of Prior Service Benefit	Effective Cash Flow Hedge Loss (Gain)	Total
Affected line in Condensed Consolidated Statement of Operations:				
Cost of products	$ —	$ —	$ —	$ —
Cost of services	—	(1)	—	(1)
Total before tax	$ —	$ (1)	$ —	$ (1)
Tax expense				—
Total reclassifications, net of tax				$ (1)

	For the three months ended March 31, 2020			
	Employee Benefit Plans			
In millions	Amortization of Actuarial Loss (Gain)	Amortization of Prior Service Benefit	Effective Cash Flow Hedge Loss (Gain)	Total
Affected line in Condensed Consolidated Statement of Operations:				
Cost of products	$ —	$ —	$ (1)	$ (1)
Cost of services	(1)	(1)	—	(2)
Total before tax	$ (1)	$ (1)	$ (1)	$ (3)
Tax expense				1
Total reclassifications, net of tax				$ (2)

16. REVISIONS OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During 2020, the Company determined there were errors in its previously issued Condensed Consolidated Statements of Cash Flows related to the business activities that commenced upon the acquisition of JetPay Corporation (JetPay) in December 2018. As a result of these errors, the Company's cash, cash equivalents and restricted cash within the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2020, was understated.

The revision for the Condensed Consolidated Statement of Cash Flows for the three months ended March 31, 2020 is reflected within the accompanying Condensed Consolidated Financial Statements. The changes reflected in our Condensed Consolidated Statement of Cash Flows for the three months ended March 31, 2020 are reflected in the tables below:

	For the three months ended March 31, 2020		
In millions	**As Reported**	**Adjustment**	**As Revised**
Increase (decrease) in other assets and liabilities	$ (90)	$ (7)	$ (97)
Net cash provided by (used in) operating activities	$ 61	$ (7)	$ 54
Increase (decrease) in Cash, cash equivalents and restricted cash	$ 717	$ (7)	$ 710
Cash, cash equivalents and restricted cash at the beginning of the period	$ 548	$ 15	$ 563
Cash, cash equivalents and restricted cash at the end of the period	$ 1,265	$ 8	$ 1,273

17. SUPPLEMENTAL FINANCIAL INFORMATION

The components of accounts receivable are summarized as follows:

In millions	**March 31, 2021**	**December 31, 2020**
Accounts receivable		
Trade	**$ 1,207**	$ 1,120
Other	**44**	48
Accounts receivable, gross	**1,251**	1,168
Less: allowance for credit losses	**(39)**	(51)
Total accounts receivable, net	**$ 1,212**	$ 1,117

Accounts receivable, net includes amounts billed and currently due from customers, as well as amounts unbilled that typically result from sales under contracts where revenue recognized exceeds the amount billed to the customer and where the Company has an unconditional right to consideration. The amounts due are stated at their net estimated realizable value.

Allowances for credit losses on accounts receivable are recognized when reasonable and supportable forecasts affect the expected collectability. This requires us to make our best estimate of the current expected losses inherent in our accounts receivable at each balance sheet date. These estimates require consideration of historical loss experience, adjusted for current conditions, forward looking indicators, trends in customer payment frequency and judgments about the probable effects of relevant observable data, including present and future economic conditions and the financial health of specific customers and market sectors. This policy is applied consistently among all of our operating segments.

Our allowance for credit losses as of March 31, 2021 and March 31, 2020 was $39 million and $50 million, respectively. Our allowance for credit losses charged to expense for the three months ended March 31, 2021 and 2020 was zero and $10 million, respectively. We increased our allowance for credit losses for the three months ended March 31, 2020 by $4 million based upon forecasts that reflect increased economic uncertainty resulting from the COVID-19 pandemic. The Company recorded write-offs against the reserve for the three months ended March 31, 2021 and 2020 of $12 million and $3 million, respectively.

The components of inventory are summarized as follows:

In millions	**March 31, 2021**	**December 31, 2020**
Inventories		
Work in process and raw materials	**$ 130**	$ 133
Finished goods	**166**	135
Service parts	**338**	333
Total inventories	**$ 634**	$ 601

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)

First Quarter Overview

Our discussion within MD&A is organized as follows:

- *Overview.* This section contains background information on our company, summary of significant themes and events during the year as well as strategic initiatives and trends in order to provide context for management's discussion and analysis of our financial condition and results of operations.

- *Results of operations.* This section contains an analysis of our results of operations presented in the accompanying condensed consolidated statements of income by comparing the results for the three months ended March 31, 2021 to the results for the three months ended March 31, 2020.

- *Liquidity and capital resources.* This section provides an analysis of our cash flows and a discussion of our contractual obligations at March 31, 2021.

OVERVIEW

BUSINESS OVERVIEW

NCR is a leading software- and services-led enterprise provider in the financial, retail, hospitality, and telecommunications and technology industries (T&T). NCR is a global company that is headquartered in Atlanta, Georgia. NCR offers a range of solutions that help businesses of all sizes run the store, run the restaurant and run self-service banking channels. Our solutions are also designed to support our transition to an as-a-Service company and enable us to be the technology-based service provider of choice to our customers. We categorize our operations into the following segments: Banking, Retail, Hospitality, and T&T. Each of our segments derives its revenue in each of the sales theaters in which NCR operates.

- ***Banking*** - We offer solutions to customers in the financial services industry that power their digital transformation through software, services and hardware to deliver differentiated experiences for their customers and improve efficiency for the financial institution. Our managed services and ATM-as-a-Service help banks run their end-to-end ATM channel, positioning NCR as a strategic partner. We augment these solutions by offering a full line of software, services and hardware including interactive teller machines (ITM), and recycling, multi-function and cash dispense ATMs. NCR's digital banking solutions enable anytime-anywhere convenience for a financial institution's consumer and business customers. We also help institutions implement their digital first platform strategy by providing solutions for banking channel services, transaction processing, imaging, and branch services.

- ***Retail*** - We offer software-defined solutions to customers in the retail industry, leading with digital to connect retail operations end to end to integrate all aspects of a customer's operations in indoor and outdoor settings from POS, to payments, inventory management, fraud and loss prevention applications, loyalty and consumer engagement. These solutions are designed to improve operational efficiency, selling productivity, customer satisfaction and purchasing decisions; provide secure checkout processes and payment systems; and increase service levels. These solutions include retail-oriented technologies such as comprehensive API-point of sale (POS) retail software platforms and applications, hardware terminals, self-service kiosks including self-checkout (SCO), payment processing solutions, and bar-code scanners.
- ***Hospitality*** - We offer technology solutions to customers in the hospitality industry, including table-service, quick-service and fast casual restaurants of all sizes, that are designed to improve operational efficiency, increase customer satisfaction, streamline order and transaction processing and reduce operating costs. Our portfolio includes cloud-based software applications for point-of-sale, back office, payment processing, kitchen production, restaurant management and consumer engagement. We also provide hospitality-oriented hardware products such as POS terminals, order and payment kiosks, bar code scanners, printers and peripherals. And finally, we help reduce the complexities of running the restaurant through our services capabilities including strategic advisory, technology deployment and implementation, hardware and software maintenance and managed services.

- ***Telecommunications and Technology (T&T)*** - We offer maintenance, managed and professional services using solutions such as remote management and monitoring services, which are designed to improve operational efficiency, network availability and end-user experience, to customers in the telecommunications and technology industry. We also provide such services to end users on behalf of select manufacturers leveraging our global service capability, and resell third party networking products to customers in a variety of industries.

NCR's reputation is founded upon over 137 years of providing quality products, services and solutions to our customers. At the heart of our customer and other business relationships is a commitment to acting responsibly, ethically and with the highest level of integrity. This commitment is reflected in NCR's Code of Conduct, which is available on the Corporate Governance page of our website.

SIGNIFICANT THEMES AND EVENTS

As more fully discussed in later sections of this MD&A, the following were significant themes and events for 2021.

- Revenue of $1,544 million, up 3%
    - Software and services revenue represented 72% of total consolidated revenue
    - Recurring revenue increased 9% from the prior year and comprised 57% of total consolidated revenue
- Significant profit margin expansion driven by cost reductions and favorable mix of revenue
- Cash flow from operations of $155 million and free cash flow of $98 million, up $118 million

STRATEGIC INITIATIVES AND TRENDS

In order to provide long-term value to all of our stakeholders, we set complementary business goals and financial strategies. Our business goal is to be a software and services-led company, and to be the leading technology provider of choice that runs stores, banks and restaurants around the world through our NCR-as-a-Service solutions that help banks, stores and restaurants run better, so they have more time to create customer experiences that drive lasting success. Our financial strategy is to transition our revenue mix so that 80 percent of our total revenue is comprised of software and services revenue, 60 percent of our total revenue is comprised of recurring revenue, and our adjusted EBITDA margin rate increases to 20 percent. Execution of our goals and strategy is driven by the following key pillars: (i) focus on our customers; (ii) take care of our employees; (iii) bring high-quality, innovative products to market; and (iv) leverage our brand.

Cybersecurity Risk Management

Similar to most companies, NCR and its customers are subject to more frequent and increasingly sophisticated cybersecurity attacks. The Company maintains cybersecurity risk management policies and procedures including disclosure controls, which it regularly evaluates for updates, for handling and responding to cybersecurity events. These policies and procedures include internal notifications and engagements and, as necessary, cooperation with law enforcement. Personnel involved in handling and responding to cybersecurity events periodically undertake tabletop exercises to simulate an event. Our internal notification procedures include notifying the applicable Company attorneys, which, depending on the level of severity assigned to the event, may include direct notice to, among others, the Company's General Counsel, Ethics & Compliance Officer, and Chief Privacy Officer. Company attorneys support efforts to evaluate the materiality of any incidents, determine whether notice to third parties such as customers or vendors is required, determine whether any prohibition on insider trading is appropriate, and assess whether disclosure to stockholders or governmental filings, including with the SEC, are required. Our internal notification procedures also include notifying various NCR Information Technology Services managers, subject matter experts in the Company's software department and Company leadership, depending on the level of severity assigned to the event.

IMPACTS FROM THE COVID-19 PANDEMIC

The impact of COVID-19, including several emerging variants of COVID-19, has grown throughout the world. Governmental authorities have implemented numerous measures attempting to contain and mitigate the effects of COVID-19, including travel bans and restrictions, quarantines, shelter in place orders and shutdowns.

We continue to actively monitor the global outbreak and spread of COVID-19 and take steps to mitigate the potential risks to us posed by its spread and related circumstances and impacts. We continue to assess and update our business continuity plan in the context of this pandemic. We have taken precautions to help keep our workforce healthy and safe, including establishing a coronavirus task force in January 2020, thermal screening procedures at our manufacturing plants and call centers and remote working arrangements for the vast majority of our back-office employees. We expect the pandemic to create headwinds to our customers and our business until COVID-19 is contained, consumer confidence improves and the economic conditions rebound. Although it is difficult to project with certainty how deep and how long the COVID-19 pandemic will last, we do expect it will negatively impact our business in 2021.

With respect to our Banking segment, we worked with local governments to make sure that these businesses are designated as essential critical infrastructure businesses. Although we experienced installation delays and lower hardware revenue, we have not experienced any significant impact to our recurring revenue streams. We believe our ATM break-fix services, which represented the largest percentage of Banking segment revenue, has remained strong, although there can be no assurance that such operations will not be impacted in the future with higher costs or labor availability.

With respect to our Retail segment, the food, drug and mass merchandising market, which includes grocery stores, drug stores and big box retailers, and which represented the majority of our Retail segment revenue, is currently designated as an essential critical infrastructure business in many jurisdictions. We realigned our resources to support our customers as they have responded to changing consumer demand, particularly with regard to self-checkout and contactless checkout. However, customers in our department and specialty retail market and in our small and medium business market, have encountered significant adverse impacts in connection with COVID-19 as a result of temporary closures of physical stores and reduced consumer spending.

With respect to our Hospitality segment, the quick service restaurants, which are large chains and represent the majority of the Hospitality segment revenue, have remained busy with respect to drive-through and pick up services being in demand as many in-restaurant dining options have been limited by social distancing and governmental orders. However, this market has been negatively impacted from lower new stores and less remodeling activity. Table service restaurants, which are sit-down restaurants with more than 50 locations, have experienced negative impacts as a result of governmental and public actions. Although many of these businesses have experienced an increase in online and takeout ordering, this market will continue to be negatively impacted until consumer confidence improves once COVID-19 is contained. Customers in our small and medium business market have experienced significant working capital and adverse cash flow impacts as a result of the COVID-19 pandemic, which, similar to table service restaurants, is expected to continue until COVID-19 is contained and the economy begins to rebound.

However, the degree to which COVID-19 affects our financial results and operations will depend on future developments, which are highly uncertain and cannot be predicted with certainty, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, including but not limited to, the success and distribution of existing and additional vaccinations, and how quickly and to what extent normal economic and operating conditions can resume.

While it is difficult to project how disruptive and protracted the pandemic will be, we do expect it will negatively impact our business. We expect all of our segment results to be negatively impacted by the COVID-19 pandemic. We expect our hardware revenues to be most impacted while our recurring revenue stream is expected to be more resilient. We continue to evaluate the long-term impact that COVID-19 may have on our business model, which may result in additional cash and non-cash charges in 2021.

Results from Operations

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Key Strategic Financial Metrics

The following tables show our key strategic financial metrics for the three months ended March 31, the relative percentage that those amounts represent to total revenue, and the change in those amounts year-over-year.

Software and services revenue as a percentage of total revenue

	Three months ended March 31		Percentage of Total Revenue		Increase (Decrease)
(in millions)	**2021**	**2020**	**2021**	**2020**	**2021 v 2020**
Software & Services	**$ 1,110**	$ 1,110	71.9 %	73.9 %	— %
Hardware	**434**	393	28.1 %	26.1 %	10 %
Total Revenue	**$ 1,544**	$ 1,503	100.0 %	100.0 %	3 %

Recurring revenue as a percentage of total revenue

	Three months ended March 31		Percentage of Total Revenue		Increase (Decrease)
(in millions)	**2021**	**2020**	**2021**	**2020**	**2021 v 2020**
Recurring revenue [1]	**$ 874**	$ 802	56.6 %	53.4 %	9 %
All other products and services	**670**	701	43.4 %	46.6 %	(4)%
Total Revenue	**$ 1,544**	$ 1,503	100.0 %	100.0 %	3 %

[1] Recurring revenue includes all revenue streams from contracts where there is a predictable revenue pattern that will occur at regular intervals with a relatively high degree of certainty. This includes hardware and software maintenance revenue, cloud revenue, payment processing revenue, and certain professional services arrangements as well as term-based software license arrangements that include customer termination rights.

Net income (loss) from continuing operations and Adjusted EBITDA [1] as a percentage of total revenue

	Three months ended March 31		Percentage of Total Revenue		Increase (Decrease)
(in millions)	**2021**	**2020**	**2021**	**2020**	**2021 v 2020**
Net income (loss) from continuing operations	**$ 30**	$ 23	1.9%	1.5 %	30 %
Adjusted EBITDA [1]	**$ 258**	$ 188	16.7 %	12.5 %	37 %

[1] NCR's management uses the non-GAAP measure Adjusted EBITDA because it provides useful information to investors as an indicator of strength and performance of the Company's ongoing business operations, including funding discretionary spending such as capital expenditures, strategic acquisitions, and other investments. NCR determines Adjusted EBITDA based on GAAP net income (loss) from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus stock-based compensation expense; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition-related intangibles, restructuring charges, among others. Refer to the table below for the reconciliations of net income (loss) from continuing operations (GAAP) to Adjusted EBITDA (non-GAAP).

In millions	2021	2020
Net income (loss) from continuing operations (GAAP)	$ 30	$ 23
Transformation and restructuring costs	8	5
Acquisition-related amortization of intangibles	20	22
Acquisition-related (gains) costs	27	—
Interest expense	45	50
Interest income	(3)	(1)
Depreciation and amortization (excluding acquisition-related amortization of intangibles)	70	63
Income taxes	17	1
Stock-based compensation expense	44	25
Adjusted EBITDA (non-GAAP)	$ 258	$ 188

Consolidated Results

The following table shows our results for the three months ended March 31, the relative percentage that those amounts represent to revenue, and the change in those amounts year-over-year.

	Three months ended March 31		Percentage of Revenue [1]		Increase (Decrease)
(in millions)	**2021**	**2020**	**2021**	**2020**	**2021 v 2020**
Product revenue	**$ 482**	$ 474	31.2 %	31.5 %	2 %
Service revenue	**1,062**	1,029	68.8 %	68.5 %	3 %
Total revenue	**1,544**	1,503	100.0 %	100.0 %	3 %
Product gross margin	**74**	83	15.4 %	17.5 %	(11)%
Service gross margin	**340**	314	32.0 %	30.5 %	8 %
Total gross margin	**414**	397	26.8 %	26.4 %	4 %
Selling, general and administrative expenses	**238**	255	15.4 %	17.0 %	(7)%
Research and development expenses	**66**	65	4.3 %	4.3 %	2 %
Total operating expenses	**304**	320	19.7 %	21.3 %	(5)%
Income from operations	**$ 110**	$ 77	7.1 %	5.1 %	43 %

[1] The percentage of revenue is calculated for each line item divided by total revenue, except for product gross margin, service gross margin and total gross margin, which are divided by the related component of revenue.

Revenue

	Three months ended March 31		Percentage of Total Revenue		Increase (Decrease)
(in millions)	**2021**	**2020**	**2021**	**2020**	**2021 vs 2020**
Product revenue	**$ 482**	$ 474	31.2 %	31.5 %	2 %
Service revenue	**1,062**	1,029	68.8 %	68.5 %	3 %
Total revenue	**$ 1,544**	$ 1,503	100.0 %	100.0 %	3 %

Product revenue includes our hardware and software license revenue streams. Service revenue includes hardware and software maintenance revenue, implementation services revenue, cloud revenue, payments processing revenue as well as professional services revenue.

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Total revenue increased 3% in 2021 from 2020. Product revenue increased due to growth in SCO and POS revenue partially offset by a decline in ATM revenue. Service revenue increased mainly due to an increase in hardware and software maintenance revenue as well as an increase in software-as-a-service revenue.

Gross Margin

(in millions)	Three months ended March 31 2021	Three months ended March 31 2020	Percentage of Revenue [1] 2021	Percentage of Revenue [1] 2020	Increase (Decrease) 2021 v 2020
Product gross margin	**$ 74**	$ 83	15.4 %	17.5 %	(11)%
Service gross margin	**340**	314	32.0 %	30.5 %	8 %
Total gross margin	**$ 414**	$ 397	26.8 %	26.4 %	4 %

[1] The percentage of revenue is calculated for each line item divided by the related component of revenue.

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Gross margin as a percentage of revenue was 26.8% in 2021 compared to 26.4% in 2020. Gross margin for the three months ended March 31, 2021 included $4 million of transformation and restructuring costs and $7 million of amortization of acquisition-related intangible assets. Gross margin for the year ended March 31, 2020 included $7 million of amortization of acquisition-related intangible assets. Excluding these items, gross margin as a percentage of revenue increased from 26.9% to 27.5% due to an increase in the favorable mix of revenue and cost-saving actions taken in 2020.

Selling, General and Administrative Expenses

(in millions)	Three months ended March 31 2021	Three months ended March 31 2020	Percentage of Total Revenue 2021	Percentage of Total Revenue 2020	Increase (Decrease) 2021 vs 2020
Selling, general and administrative expenses	**$ 238**	$ 255	15.4 %	17.0 %	(7)%

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Selling, general, and administrative expenses were $238 million in 2021 compared to $255 million in 2020. As a percentage of revenue, selling, general and administrative expenses were 15.4% in 2021 and 17.0% in 2020. In 2021, selling, general and administrative expenses included $2 million of transformation and restructuring costs, $13 million of amortization of acquisition-related intangible assets and $10 million of acquisition-related costs. In 2020, selling, general and administrative expenses included $5 million of transformation and restructuring costs and $15 million of amortization of acquisition-related intangible assets. Excluding these items, selling, general and administrative expenses decreased as a percentage of revenue from 15.6% in 2020 to 13.8% in 2021 primarily due an increase in revenue and cost-saving actions implemented in 2020.

Research and Development Expenses

(in millions)	Three months ended March 31 2021	Three months ended March 31 2020	Percentage of Total Revenue 2021	Percentage of Total Revenue 2020	Increase (Decrease) 2021 v 2020
Research and development expenses	**$ 66**	$ 65	4.3 %	4.3 %	2 %

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Research and development expenses were $66 million in 2021 compared to $65 million in 2020. As a percentage of revenue, these costs were 4.3% in 2021 and 4.3% in 2020. In 2021, research and development expenses included $2 million of costs related to our transformation and restructuring costs. After considering this item, research and development expenses decreased slightly as a percentage of revenue from 4.3% in 2020 to 4.1% in 2021 due to an increase revenue and cost-saving actions implemented in 2020.

Interest Expense

(in millions)	Three months ended March 31 2021	2020	Increase (Decrease) 2021 v 2020
Interest expense	**$ 45**	$ 50	(10)%

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Interest expense was $45 million in 2021 compared to $50 million in 2020. Interest expense is primarily related to the Company's senior unsecured notes and borrowings under the Company's senior secured credit facility. Early in 2020, the Company took steps to build our cash position by fully drawing the revolving credit facility and issuing $400 million senior unsecured notes as a precautionary measure given the uncertainty of the COVID-19 pandemic. Late in 2020, the revolving credit facility was paid down. As a result, the lower average outstanding principal balances during 2021 as well as lower average interest rates on the Company's senior unsecured notes decreased interest expense in 2021 compared to 2020.

Other Income (Expense), net

Other income (expense), net was expense of $17 million in 2021 and expense of $2 million in 2020, with the components reflected in the following table:

In millions	Three months ended March 31 2021	2020
Interest income	**$ 3**	$ 1
Foreign currency fluctuations and foreign exchange contracts	**(4)**	(2)
Bank-related fees	**(19)**	(2)
Employee benefit plans	**3**	—
Other, net	**—**	1
Other income (expense), net	**$ (17)**	$ (2)

The Company incurred financing fees of $17 million related to certain structuring and commitment fees as a result of the financing transactions entered into during the first quarter of 2021 related to the proposed transaction with Cardtronics. Refer to Note 5, Debt Obligations of the Notes to Condensed Consolidated Financial Statements for additional discussion on the financing transactions.

Income Taxes

(in millions)	Three months ended March 31 2021	2020	Increase (Decrease) 2021 v 2020
Income tax expense (benefit)	**$ 17**	$ 1	1600 %

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Income tax provisions for interim (quarterly) periods are based on an estimated annual effective income tax rate calculated separately from the effect of significant, infrequent or unusual items. Income tax expense was $17 million in 2021 compared to income tax expense of $1 million in 2020. The change was primarily driven by higher income before taxes and a decrease in discrete tax benefits in the three months ended March 31, 2021. The discrete tax benefits recorded in the three months ended March 31, 2020 included $2 million related to an error in the calculation of the permanent differences on stock compensation and $3 million for the write-off of tax payables incorrectly recorded in prior periods.

The Company is subject to numerous federal, state and foreign tax audits. While we believe that appropriate reserves exist for issues that might arise from these audits, should these audits be settled, the resulting tax effect could impact the tax provision and cash flows in 2021 or future periods.

Revenue and Adjusted EBITDA by Segment

The Company manages and reports its businesses in the following segments: Banking, Retail, Hospitality and T&T. Each of these segments derives its revenue by selling in the sales theaters in which NCR operates. Segments are measured for profitability by the Company's chief operating decision maker based on revenue and segment adjusted EBITDA. Adjusted EBITDA is defined as GAAP net income (loss) from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus stock-based compensation expense; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition-related intangibles, restructuring charges, among others. The special items are considered non-operational so are excluded from the adjusted EBITDA metric utilized by our chief operating decision maker in evaluating segment performance and are separately delineated to reconcile back to total reported income from operations. This format is useful to investors because it allows analysis and comparability of operating trends. It also includes the same information that is used by NCR management to make decisions regarding the segments and to assess our financial performance.

Corporate and Other reconciles our segment results to adjusted EBITDA, which primarily includes other income (expense) that are managed only on a total company basis and are, accordingly, reflected only in consolidated results.

The following table shows our segment revenue and adjusted EBITDA for the three months ended March 31, the relative percentage that those amounts represent to revenue, and the change in those amounts year-over-year.

	Three months ended March 31		Percentage of Revenue [1]		Increase (Decrease)
(in millions)	**2021**	**2020**	**2021**	**2020**	**2021 v 2020**
Revenue					
Banking	**$ 756**	$ 763	48.9 %	50.8 %	(1)%
Retail	**532**	472	34.5 %	31.4 %	13 %
Hospitality	**179**	169	11.6 %	11.2 %	6 %
T&T	**77**	99	5.0 %	6.6 %	(22)%
Total Revenue	**$ 1,544**	$ 1,503	100.0 %	100.0 %	3 %
Adjusted EBITDA by Segment					
Banking	**$ 154**	$ 140	20.4 %	18.3 %	10 %
Retail	**73**	37	13.7 %	7.8 %	97 %
Hospitality	**25**	7	14.0 %	4.1 %	257 %
T&T	**10**	8	13.0 %	8.1 %	25 %
Corporate & Other	**(4)**	(4)			
Total adjusted EBITDA	**$ 258**	$ 188	16.7 %	12.5 %	37 %

Segment Revenue

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Banking revenue decreased 1% due the decline in ATM hardware revenue partially offset by the increase services revenue. Recurring revenue increased 8% driven by the increase in digital banking and maintenance services.

Retail revenue increased 13% driven by an increase in SCO and POS hardware revenue as well as higher services revenue. Recurring revenue increased 14% primarily driven by the increase in payments, professional services and maintenance services.

Hospitality revenue increased 6% due to an increase in point-of-sale revenue as well as higher services revenue. Recurring revenue remained relatively consistent.

T&T revenue decreased 22% in 2021 driven by a decrease in services revenue.

Segment Adjusted EBITDA

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Banking adjusted EBITDA increased in 2021 primarily driven by the increase in recurring revenue as well as costs saving initiatives implemented in 2020 which lowered operating expenses.

Retail adjusted EBITDA increased primarily driven by the increase in SCO and recurring revenue as well as costs saving initiatives implemented in 2020 which lowered operating expenses.

Hospitality adjusted EBITDA increased in 2021 primarily driven by an increase in revenue as well as costs saving initiatives implemented in 2020 which lowered operating expenses.

T&T adjusted EBITDA increased primarily driven by costs saving initiatives implemented in 2020 which lowered operating expenses.

Financial Condition, Liquidity, and Capital Resources

Cash provided by operating activities was $155 million in the three months ended March 31, 2021 compared to cash provided by operating activities of $54 million in the three months ended March 31, 2020. The increase in cash provided by operating activities was due to higher operating earnings and working capital improvements.

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

The table below reconciles net cash provided by operating activities to NCR's non-GAAP measure of free cash flow for the three months ended March 31:

	Three months ended March 31	
In millions	**2021**	**2020**
Net cash provided by operating activities	**$ 155**	$ 54
Expenditures for property, plant and equipment	**(10)**	(10)
Additions to capitalized software	**(51)**	(69)
Pension contributions	**4**	5
Free cash flow (use) (non-GAAP)	**$ 98**	$ (20)

For the three months ended March 31, 2020, there was a $7 million impact to cash provided by operating activities and free cash flow from the revision discussed in Note 16, Revisions of Previously Issued Financial Statements of the Notes to the Condensed Consolidated Financial Statements.

Financing activities and certain other investing activities are not included in our calculation of free cash flow. Other investing activities primarily include business acquisitions, divestitures and investments as well as proceeds from the sale of property, plant and equipment. During the three months ended March 31, 2021, the payments for business combinations was $157 million, mainly for the consideration paid related to the acquisitions completed in the first quarter of 2021. During the three months ended March 31, 2020, the payments for business combinations was $26 million, mainly for the remaining consideration paid related to the acquisition of Zynstra Ltd. completed in 2019.

Financing activities during the three months ended March 31, 2021 included dividends paid on the Series A preferred stock of $4 million, proceeds from stock employee plans of $8 million as well as tax withholding payments on behalf of employees for stock based awards that vested of $22 million. Financing activities during the three months ended March 31, 2020 included the repurchase of our common stock for a total of $41 million, proceeds from stock employee plans of $3 million and tax withholding payments on behalf of employees for stock based awards that vested of $24 million.

Long Term Borrowings The senior secured credit facility consists of a term loan facility in an aggregate principal amount of $750 million, of which $733 million was outstanding as of March 31, 2021. Additionally, the senior secured credit facility provides for a five-year revolving credit facility with an aggregate principal amount of $1.1 billion, of which $155 million was outstanding as of March 31, 2021. The revolving credit facility also allows a portion of the availability to be used for letters of credit, and as of March 31, 2021, there were $26 million letters of credit outstanding.

As of December 31, 2020, the outstanding principal balance of the term loan facility was $741 million and the outstanding balance on the revolving facility was $75 million.

As of March 31, 2021, we had outstanding $400 million in aggregate principal balance of 8.125% senior unsecured notes due in 2025, $500 million in aggregate principal balance of 5.750% senior unsecured notes due in 2027, $650 million aggregate principal balance of 5.000% senior unsecured notes due in 2028, $500 million in aggregate principal balance of 6.125% senior unsecured notes due in 2029, and $450 million in aggregate principal balance of 5.250% senior unsecured notes due in 2030.

Our revolving trade receivables securitization facility provides the Company with up to $300 million in funding based on the availability of eligible receivables and other customary factors and conditions. As of March 31, 2021 and December 31, 2020, the Company had $50 million and zero, respectively, outstanding under the facility.

See Note 5, Debt Obligations, of the Notes to Condensed Consolidated Financial Statements for further information on the senior secured credit facility (including certain amendments to such facility), the senior unsecured notes, the trade receivables securitization facility and our expected financing activities in connection with the proposed Cardtronics Transaction.

Employee Benefit Plans In 2021, we expect to make contributions of $25 million to our international pension plans, $39 million to our postemployment plan and $2 million to our postretirement plan. For additional information, refer to Note 8, Employee Benefit Plans of the Notes to the Condensed Consolidated Financial Statements.

Series A Convertible Preferred Stock As of March 31, 2021, the redemption value of the Series A Preferred Stock was approximately $276 million. Holders of Series A Convertible Preferred Stock are entitled to a cumulative dividend at the rate of 5.5% per annum, payable quarterly in arrears. Beginning in the first quarter of 2020, dividends are payable in cash or in-kind at the option of the Company. During the three months ended March 31, 2021 and 2020, the Company paid total cash dividends of $4 million and $6 million, respectively.

The Series A Convertible Preferred Stock is convertible at the option of the holders at any time into shares of common stock at a conversion price of $30.00 per share, or a conversion rate of 33.333 shares of common stock per share of Series A Convertible Preferred Stock. As of March 31, 2021, the maximum number of common shares that could be required to be issued upon conversion of the outstanding shares of the Series A Convertible Preferred Stock was 9.2 million.

Cash and Cash Equivalents Held by Foreign Subsidiaries Cash and cash equivalents held by the Company's foreign subsidiaries at March 31, 2021 and December 31, 2020 were $303 million and $329 million, respectively. Under current tax laws and regulations, if cash and cash equivalents and short-term investments held outside the U.S. are distributed to the U.S. in the form of dividends or otherwise, we may be subject to additional U.S. income taxes and foreign withholding taxes, which could be significant.

Summary As of March 31, 2021, our cash and cash equivalents totaled $319 million and our total debt was $3.44 billion.

As of March 31, 2021, our borrowing capacity under the revolving credit facility was approximately $919 million, and under our trade receivables securitization facility was $172 million. Our ability to generate positive cash flows from operations is dependent on general economic conditions, competitive pressures, and other business and risk factors described in Item 1A of Part I of the Company’s 2020 Annual Report on Form 10-K and Item 1A of Part II of this Quarterly Report on Form 10-Q (as applicable). If we are unable to generate sufficient cash flows from operations, or otherwise comply with the terms of our credit facilities or senior unsecured notes, we may be required to seek additional financing alternatives.

The COVID-19 pandemic remains complex and rapidly evolving, and the ultimate impact on our overall financial condition and operating results will depend on the currently unknowable duration and severity of the pandemic as well as any additional governmental and public actions taken in response. There can be no assurance that the measures we have taken will completely offset the negative impact of COVID-19.

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

Contractual and Other Commercial Commitments

There have been no significant changes in our contractual and other commercial obligations as described in our 2020 Annual Report on Form 10-K.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements as defined by SEC Regulation S-K Item 303 (a) (4) (ii).

Critical Accounting Policies and Estimates

Management reassessed the critical accounting policies as disclosed in our 2020 Annual Report on Form 10-K and determined that there were no changes to our critical accounting policies or our estimates associated with those policies in the three months ended March 31, 2021.

New Accounting Pronouncements

See discussion in Note 1, Basis of Presentation and Summary of Significant Accounting Policies of the Notes to the Condensed Consolidated Financial Statements for new accounting pronouncements.

Forward-Looking Statements

This quarterly report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements use words such as “expect,” “anticipate,” “outlook,” “intend,” “plan,” “believe,” “will,” “should,” “would,” “potential,” “proposed,” “objective,” “could,” “may,” and words of similar meaning, as well as other words or expressions referencing future events, conditions or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Statements that describe or relate to NCR’s plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR’s control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors relating to: the impact of the coronavirus (COVID-19) pandemic on our business, financial condition and results of operations; domestic and global economic and credit conditions including, in particular, political, consumer, and unemployment conditions, the imposition or threat of protectionist trade policies or import or export tariffs, global and regional market conditions and spending trends, new tax legislation across multiple jurisdictions, modified or new global or regional trade agreements, execution of the United Kingdom’s exit from the European Union, uncertainty over further potential changes in Eurozone participation, fluctuations in oil and commodity prices, and our customer responses to the same; the transformation of our business model to an as-a-service company with focus on, among other items, increased software and services revenue, and recurring revenue; our ability grow software and services and expanding our customer base; our ability to successfully develop and introduce new solutions in the competitive, rapidly changing environment in which we do business; defects, errors, installation difficulties or development delays in our products; disruptions in our data center hosting facilities; our ability to compete effectively within the technology industry; reliance on third party suppliers; our multinational operations, including in new and emerging markets; our ability to successfully integrate acquisitions or effectively manage alliance activities, including but not limited to, the Cardtronics acquisition; the consummation of the Cardtronics acquisition, including approval by Cardtronics’ shareholders; continuous improvement, customer experience, restructuring and cost reduction initiatives; our ability to retain key employees, or attract quality new and replacement employees; financing and liquidity risks including: our level of indebtedness; the terms of the documents governing our indebtedness including financial and other covenants; the incurrence of substantially more debt, including secured debt, and similar liabilities, which would increase the risks described in our risk factors relating to indebtedness and repurchase obligations; sufficiency of our cash flows including to service our indebtedness; interest rate risk, which could cause our debt service obligations to increase significantly; our ability to raise the funds necessary to finance a required repurchase of our senior unsecured notes or our Series A Convertible Preferred Stock; a lowering or withdrawal of the ratings assigned to our debt securities by rating agencies; our pension liabilities; data protection, cybersecurity and privacy risks; intellectual property risks including protection, development and our ability to manage third party claims regarding patents and other intellectual property rights; legal and regulatory risks including unanticipated changes to our tax rates and additional income tax liabilities; environmental exposures from our historical and ongoing manufacturing activities; uncertainties with regard to regulations, lawsuits, claims, and other matters across various jurisdictions; other risks including the impact of the terms of our Series A Convertible Preferred Stock relating to voting power, share dilution and market price of our common stock, as well as rights, preferences and privileges that are not held by, and are preferential to, the rights of our common stockholders; actions or proposals from stockholders that do not align with our business strategies or the interests of our other stockholders; and potential write-down of the value of certain significant assets. Additional information concerning these and other factors can be found in the Company's filings with the U.S. Securities and Exchange Commission, including the Company's most recent annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. 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, except as required by law.

Information About NCR

NCR encourages investors to visit its web site (http://www.ncr.com), which is updated regularly with financial and other important information about NCR. The contents of the Company's web site are not incorporated into this quarterly report or the Company's other filings with the U.S. Securities and Exchange Commission.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

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

Foreign Exchange Risk

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

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

For purposes of analyzing potential risk, we use sensitivity analysis to quantify potential impacts that market rate changes may have on the fair values of our hedge portfolio related to firmly committed or forecasted transactions. The sensitivity analysis represents the hypothetical changes in value of the hedge position and does not reflect the related gain or loss on the forecasted underlying transaction. A 10% appreciation or depreciation in the value of the U.S. Dollar against foreign currencies from the prevailing market rates would have resulted in a corresponding increase or decrease of $23 million as of March 31, 2021 in the fair value of the hedge portfolio. The Company expects that any increase or decrease in the fair value of the portfolio would be substantially offset by increases or decreases in the underlying exposures being hedged.

The U.S. Dollar was slightly stronger in the first quarter of 2021 compared to the first quarter of 2020 based on comparable weighted averages for our functional currencies. This excludes the effects of our hedging activities and, therefore, does not reflect the actual impact of fluctuations in exchange rates on our operating income.

Interest Rate Risk

We are subject to interest rate risk principally in relation to variable-rate debt. Approximately 73% of our borrowings were on a fixed rate basis as of March 31, 2021. The increase in pre-tax interest expense for the three months ended March 31, 2021 from a hypothetical 100 basis point increase in variable interest rates would be approximately $2 million.

Concentrations of Credit Risk

We are potentially subject to concentrations of credit risk on accounts receivable and financial instruments, such as hedging instruments and cash and cash equivalents. Credit risk includes the risk of nonperformance by counterparties. The maximum potential loss may exceed the amount recognized on the balance sheet. Exposure to credit risk is managed through credit approvals, credit limits, selecting major international financial institutions (as counterparties to hedging transactions) and monitoring procedures. Our business often involves large transactions with customers for which we do not require collateral. If one or more of those customers were to default in its obligations under applicable contractual arrangements, we could be exposed to potentially significant losses. Moreover, a prolonged downturn in the global economy could have an adverse impact on the ability of our customers to pay their obligations on a timely basis. We believe that the reserves for potential losses are adequate. As of March 31, 2021, we did not have any significant concentration of credit risk related to financial instruments.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

NCR has established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the Exchange Act)) to provide reasonable assurance that information required to be disclosed by NCR in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by NCR in the reports that it files or submits under the Exchange Act is accumulated and communicated to NCR's management, including its Chief Executive and Chief Financial Officers, as appropriate to allow timely decisions regarding required disclosure. Based on their evaluation as of the end of the first quarter of 2021, conducted under their supervision and with the participation of management, the Company's Chief Executive and Chief Financial Officers have concluded that NCR's disclosure controls and procedures are effective to meet such objectives and that NCR's disclosure controls and procedures adequately alert them on a timely basis to material information relating to the Company (including its consolidated subsidiaries) required to be included in NCR's Exchange Act filings.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. LEGAL PROCEEDINGS

The information required by this item is included in Note 9, Commitments and Contingencies of the Notes to the Condensed Consolidated Financial Statements in this quarterly report and is incorporated herein by reference.

Item 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed in Part I, Item IA ("Risk Factors") of the Company's 2020 Annual Report on Form 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On October 19, 2016, the Board approved a share repurchase program, with no expiration from the date of authorization, for the systematic repurchase of the Company’s common stock to offset the dilutive effects of the Company’s employee stock purchase plan, equity awards and in-kind dividends on the Company’s Series A Convertible Preferred Stock. Availability under this program accrues quarterly based on the average value of dilutive issuances during the quarter.

On March 12, 2017, the Board approved a second share repurchase program, with no expiration from the date of authorization, that provides for the repurchase of up to $300 million of the Company’s common stock. On July 25, 2018, the Board authorized an incremental $200 million of share repurchases under this program.

As of March 31, 2021, $153 million was available for repurchases under the March 2017 program, and approximately $593 million was available for repurchases under the October 2016 dilution offset program. The timing and amount of repurchases under these programs depend upon market conditions and may be made from time to time in open market purchases, privately negotiated transactions, accelerated stock repurchase programs, issuer self-tender offers or otherwise. The repurchases will be made in compliance with applicable securities laws and may be discontinued at any time.

The Company occasionally purchases vested restricted stock or exercised stock options at the current market price to cover withholding taxes. For the three months ended March 31, 2021, 0.6 million shares were purchased at an average price of $36.89 per share.

The Company’s ability to repurchase its common stock is restricted under the Company’s senior secured credit facility and terms of the indentures for the Company’s senior unsecured notes, which prohibit certain share repurchases, including during the occurrence of an event of default, and establish limits on the amount that the Company is permitted to allocate to share repurchases and other restricted payments. The limitations are calculated using formulas based generally on 50% of the Company’s consolidated net income for the period beginning in the third quarter of 2012 through the end of the most recently ended fiscal quarter, subject to certain other adjustments and deductions, with certain prescribed minimums. These formulas are described in greater detail in the Company’s senior secured credit facility and the indentures for the Company’s senior unsecured notes, each of which is filed with the SEC.

Item 6. EXHIBITS

4.1	Indenture, dated as of April 6, 2021, among NCR Corporation, NCR International, Inc. and U.S. Bank National Association (Exhibit 4.1 to Current Report on Form 8-K of NCR Corporation dated April 6, 2021).
10.1	Form of Senior Executive Team Fitness Plan Restricted Stock Unit Award Agreement under the NCR Corporation 2017 Stock Incentive Plan. *
10.2	Letter Agreement, dated December 28, 2017, between Daniel W. Campbell and NCR Corporation. *
10.3	Letter Agreement, dated January 8, 2018, between Adrian Button and NCR Corporation. *
31.1	Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934.
31.2	Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934.
32	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from NCR Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) our condensed consolidated statements of operations for the three months ended March 31, 2021 and 2020; (ii) our condensed consolidated statements of comprehensive income for the three months ended March 31, 2021 and 2020; (iii) our condensed consolidated balance sheets as of March 31, 2021 and December 31, 2020; (iv) our condensed consolidated statements of cash flows for the three months ended March 31, 2021 and 2020; (v) our condensed consolidated statements of changes in stockholder's equity for the three months ended March 31, 2021 and 2020; and (vi) the notes to our condensed consolidated financial statements.
104	Cover Page Interactive Data File, formatted in Inline XBRL and contained in Exhibit 101.

* Management contracts or compensatory plans/arrangements.

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: April 30, 2021	By: /s/ Timothy C. Oliver
	Timothy C. Oliver **Executive Vice President and Chief Financial Officer**

Senior Executive Team
2021 Fitness Plan Restricted Stock Unit Award Agreement
NCR Corporation 2017 Stock Incentive Plan

Congratulations on your award of Fitness Plan restricted stock units of NCR Common Stock as part of NCR's 2021 executive compensation program. The Compensation and Human Resources Committee of our Board of Directors approved your award in anticipation of your future contributions to the success of NCR. The award also recognizes your past performance and upholds our commitment to rewarding our higher performers. This award is an opportunity to celebrate your achievements and to continue to expand your ownership stake in NCR.

Your Fitness Plan restricted stock units ("Stock Units") are awarded (the "Award") by NCR Corporation ("NCR" or the "Company") under the NCR Corporation 2017 Stock Incentive Plan as amended from time to time ("Plan"). See the stock page at www.netbenefits.fidelity.com for (i) the number of Stock Units granted to you, your date of grant ("Grant Date"), and other Award details, and (ii) additional important information about the Award, the Plan and NCR stock in the Prospectus dated November 2, 2020 (and the prior Plan Prospectus dated May 1, 2017 as applicable) which is also available on such stock page (a paper copy of the Prospectus is also available without charge upon request to stock.administration@ncr.com). Your award is subject to the terms of this Senior Executive Team 2021 Fitness Plan Restricted Stock Unit Agreement ("Agreement") and the Plan. Capitalized not defined in this Agreement have the meanings provided under the Plan.

1. **Grant of Stock Units.** Subject to Sections 2, 6, and the other terms and conditions of this Agreement, 100% of the Stock Units will become vested and non-forfeitable on December 31, 2021 (the "Vesting Date"), provided that you are continuously employed by the Employer through and until the Vesting Date. The Stock Units are referred to in this Agreement as "Vested" at the time they become vested and non-forfeitable pursuant to this Section 1 or Section 2 below.

2. **Accelerated Vesting and Forfeiture Events.** Your Stock Units will vest earlier than the Vesting Date, or be forfeited and cancelled before vesting, to the extent provided below. Except as otherwise provided in this Agreement, in the event of your Termination of Employment prior to the Vesting Date for any reason, all unvested Stock Units will automatically be forfeited and cancelled, and no Shares or cash will be issued or paid.

Event	Treatment of Stock Units
Retirement or Involuntary Termination (other than for Cause)	Vesting: Your unvested Stock Units will vest pro rata, determined by as follows: the total number of Stock Units awarded under t Agreement will be multiplied by a fraction, the numerator of which is your Work Period, and the denominator of which is the number days in the period beginning on November 1, 2019 and ending on December 31, 2021.
Death, Disability, Change in Control Termination or Good Reason Termination	Vesting: 100% vesting on your Termination Date.
Termination for Cause or Voluntary Resignation	All unvested Stock Units will be forfeited and cancelled, except in the case of a Voluntary Resignation satisfying the Mutually Agreed Retirement requirements.
Special Change in Control Rule	Vesting: Notwithstanding and without regard to any other provision of this Section 2, if a Change in Control occurs before the Vest Date and the Stock Units are not assumed, converted or replaced by the continuing entity or successor, all unvested Stock Units v become 100% Vested immediately before the Change in Control.
Mutually Agreed Retirement	Vesting: Subject to the approval of the Committee or the Company's Chief Executive Officer in their respective sole discretion (or the case of the Chief Executive Officer and the Executive Chairman of the NCR Board, subject solely to the approval of the Committee its sole discretion), if: (a) you retire from employment at age 62 or older with at least 2 years of continuous service with an Emplo (excluding service with acquired entities before the acquisition), and (b) you continue to comply with this Agreement (including Sectio hereof), then your Stock Units will continue to vest pursuant to the terms of this Agreement as if you had remained actively employed. T treatment will apply instead of any Retirement treatment that may also apply to you under this Agreement.

3. **Settlement of Stock Units.** Except as may be otherwise provided in Section 2 or 20 of this Agreement, or Section 14.12 of the Plan or pursuant to an election under Section 14.11 of the Plan, Vested Stock Units will be paid to you as soon as reasonably practicable after the earliest of: (a) the Vesting Date, (b) your Termination of Employment if such Termination of Employment results in vesting pursuant to Section 2, or (c) the Change in Control date if vesting occurs in connection with a Change in Control without a Termination of Employment as determined under Section 2 above. In all events, the settlement date shall be no later than March 15 of the year following the year in which the earliest of such events occurs; except that, notwithstanding any other provision hereof, the settlement date in the event of vesting in connection with a Change in Control as described in Section 2 shall be no later than 30 days after the Termination of Employment date or the Change in Control date, as applicable. Such Vested Stock Units will be paid to you in Shares (such that one Stock Unit equals one share of Common Stock) or, in NCR's sole discretion, in an amount of cash equal to the Fair Market Value of such number of Shares on date that immediately precedes the Vesting Date (or such earlier date upon which the Stock Units have become Vested pursuant to Section 2 of this Agreement), or a combination thereof (the date of such payment shall be referred to herein as the "Settlement Date").

4. **Definitions:** These definitions apply under this Agreement:

"**Change in Control Termination**" means Termination of Employment by the Employer or the continuing entity or successor other than for Cause (as defined in the NCR Change in Control Severance Plan if you participate in that plan on your Termination Date; otherwise as defined in the Plan, and excluding termination due to Disability) occurring during the twenty-four months following a Change in Control wherein this Award is assumed, converted or replaced by the continuing entity or successor.

"**Disability**" means your qualifying for benefits under your Employer's long-term disability plan.

"**Employer**" means NCR Corporation (the Company) or any Subsidiary or Affiliate of NCR Corporation by which you are or have been employed.

"**Good Reason Termination**" means, if you are a participant in the NCR Change in Control Severance Plan, or an NCR policy or similar arrangement or individual agreement that defines "Good Reason" in the context of a resignation following a Change in Control, your Termination of Employment for Good Reason as so defined within twenty-four (24) months following a Change in Control.

"Include", "Includes," and "Including" mean, respectively, include without limitation, includes without limitation, and including without limitation.

"**Involuntary Termination (other than for Cause)**" means Termination of Employment by the Employer for any reason other than for Cause (as defined in the Plan and, for the avoidance of doubt not including any termination due to your Disability), excluding termination by the Employer or the continuing entity or successor during the twenty-four (24) months following a Change in Control.

"**Retirement**" means Termination of Employment at age 62 or older with at least 10 years of continuous service with an Employer through your Termination Date (excluding service with acquired entities before the acquisition).

"**Termination Date**" means the date of your Termination of Employment for any reason.

"**TPA**" means the third party administrator for the Plan

"**Work Period**" means the number of days in the period starting on November 1, 2019 and ending on your Termination Date.

5. **Compensation.** Your Plan participation is voluntary. The value of your Award is an extraordinary item of income, is not part of your normal or expected compensation and will not be considered in calculating any severance, redundancy, end of service payments, bonus, long-service awards, pension, retirement or other benefits or similar payments. The Plan is discretionary in nature. The Award is a one-time benefit that creates no contractual or other right to further awards or other future benefits. Future grants (if any) and their terms are at the sole discretion of NCR.

6. **Nontransferability/Sale Restriction.** At all times before the Vesting Date, unvested Stock Units may not be sold, transferred, pledged, assigned or otherwise alienated, except by beneficiary designation, by will or by the laws of descent and distribution upon your death. As soon as practicable after the Vesting Date (or such other date as Stock Units become payable in accordance with Section 2), if Stock Units that Vested on the Vesting Date are to be paid in the form of Shares, NCR will instruct its transfer agent and/or its TPA to record on your account the number of such Shares underlying the number of such Stock Units, and such Shares will be freely transferable. In addition, if you are a named executive officer identified in the Company's proxy statement for its 2021 Annual Meeting of Stockholders, you agree that you will not attempt to sell, transfer, or otherwise alienate any Shares issued in settlement of the Stock Units prior to December 31, 2022, except that this restriction shall not apply following the occurrence of a Change in Control (as defined in the Plan).

7. **Dividends.** Any cash dividends declared before the Vesting Date on the Shares underlying unvested Stock Units shall not be paid currently, but shall be converted into additional unvested Stock Units, and any cash dividends declared after the Vesting Date but before the Settlement Date on the Shares underlying Vested Stock Units shall not be paid currently, but shall be converted into additional Vested Stock Units and settled pursuant to Section 3 at the same time as the underlying Vested Stock Units. Any Stock Units resulting from such conversion (the "Dividend Units") will be considered Stock Units for purposes of this Agreement and will be subject to all of the terms, conditions and restrictions set forth herein that apply to the underlying Stock Units that generated the Dividend Units. As of each date that NCR would otherwise pay the declared dividend on the Shares underlying the Stock Units (the "Dividend Payment Date") in the absence of the reinvestment requirements of this Section, the number of Dividend Units will be determined by dividing the amount of dividends otherwise attributable to the Stock Units but not paid on the Dividend Payment Date by the Fair Market Value of NCR's Common Stock on the Dividend Payment Date.

8. Withholding. Before tax and withholding events, as a condition of your receiving Shares in respect of the Stock Units, you agree to make arrangements satisfactory to the Employer and Plan Administrator to satisfy all income tax, social insurance tax, payroll tax, fringe benefits tax and other Federal, state or local and non-U.S. tax payment or withholding requirements or other tax related items (collectively, "Tax-Related Items") determined by the Plan Administrator in its sole discretion in connection with the Award or your participation in the Plan, including: (i) paying NCR, in its sole discretion, through payroll withholding or other Plan Administrator-required method, the amount of Tax-Related Items required to be paid or withheld with respect to the Stock Units. Such payment of Tax-Related Items will be made by NCR withholding Shares issuable upon settlement of the Stock Units equal to the amount required to be withheld or paid as determined by NCR, except to the extent that: (i) the Chief Human Resources Officer permits payment for such Tax-Related Items in cash by an employee other than an executive officer of NCR ("Executive Officer") subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Act"), or (ii) you are an Executive Officer and you elect to make payment for such Tax-Related Items in cash or by instructing NCR and any brokerage firm approved by NCR to sell on your behalf the Shares underlying the Stock Units that NCR determines will satisfy such Tax-Related Items. Any withholding of Shares or sale or cash payment pursuant to this Section will occur when the requirement to withhold or pay taxes arises, or as soon as practicable afterwards if permitted by NCR. If you are an Executive Officer who instructs a brokerage firm sale permitted by this Section, you will be responsible for, and will indemnify and hold NCR and the Employer harmless with respect to, any and all losses, costs, damages or other expenses (including brokerage fees and other similar costs related directly to any such sale of Common Stock) arising in connection with, or related to, any such sale. You acknowledge that if, at the time any Shares of Common Stock are sold to satisfy requirements relating to Tax-Related Items pursuant to this Section, you are an Executive Officer as defined above, any such sale of Common Stock must be made pursuant to an exemption from the requirements under Section 16(b) of the Act.

You agree that the ultimate liability for all Tax-Related Items remains your responsibility and may exceed the amount withheld. Depending on the withholding method, NCR may withhold or account for Tax-Related Items by considering such statutory withholding rates as may be determined applicable in the discretion of the Plan Administrator that will not result in an adverse accounting consequence or cost.

9. Non-Competition, Non-Solicitation and Non-Recruit/Hire.

(a) Pursuant to your employment with NCR, you have or will have access to, and knowledge of, certain NCR Confidential Information as defined in Section 14 below. You acknowledge that any unauthorized use (including use for your own benefit or to the benefit of others), transfer, or disclosure by you of NCR Confidential Information can place NCR at a competitive disadvantage and cause damage, financial and otherwise, to its business. You further acknowledge that, because of the knowledge of and access to NCR Confidential Information that you have acquired or will have acquired during your employment, you will be in a position to compete unfairly with NCR following the termination of your employment.

(b) **Post-Employment Restrictive Covenants.** Therefore, for the purpose of protecting NCR's business interests, including the NCR Confidential Information, goodwill and stable trained workforce of NCR, and in exchange for the benefits and consideration provided to you under this Agreement (including the potential future vesting of Stock Units), you agree that, for a 12-month period after the termination of your NCR employment (or the maximum period allowed by applicable law if less than 12 months) (the "**Restricted Period**"), regardless of the reason for termination, you will not, without the prior written consent of the Chief Executive Officer of NCR Corporation:

(1). **Non-Recruit/Hire** - Directly or indirectly (including assisting third parties) recruit, hire or solicit, or attempt to recruit, hire or solicit any employee of NCR, induce or attempt to induce any employee of NCR to terminate his or her employment with NCR, or refer any such employee to anyone outside of NCR for the purpose of that employee seeking, obtaining, or entering into an employment relationship or agreement to provide services;

(2). **Non-Solicitation** - Directly or indirectly (including assisting others), solicit or attempt to solicit the business of any NCR customers or prospective customers with which you had Material Contact (as defined in Section 9(c)(i) below) during the last 2 years of your NCR employment for purposes of providing products or services that are competitive with those provided by NCR;

(3). **Non-Competition** - Perform services, directly or indirectly, in any capacity (including as an employee, consultant, contractor, owner or member of a board of directors): (i) of the type conducted, authorized, offered, or provided by you on behalf of NCR during the 2 years prior to termination of your NCR employment; (ii) in connection with NCR Competing Products/Services (as defined in Section 9(c)(ii)) that are similar to or serve substantially the same functions as those with respect to which you worked during the 2 years prior to termination of your NCR employment or about which you obtained trade secret or other NCR Confidential Information; (iii) within the geographic territories (including countries and regions, if applicable, or types, classes or tiers of customers if no geographic territory was assigned to you) where or for which you performed, were assigned, or had responsibilities for such services during the 2 years preceding your termination; and (iv) on behalf of a Competing Organization (as defined in Section 9(c)(iii)).

(c) For purposes of Section 9 of this Agreement, the following definitions shall apply:

(i) "**Material Contact**" means the contact between you and each customer or prospective customer (a) with which you dealt on behalf of NCR, (b) whose dealings with NCR were coordinated or supervised by you, (c) about whom you obtained confidential information in the ordinary course of business as a result of your association with NCR, or (d) who receives products or services authorized by NCR, the sale or provision of which results, resulted or, with regard to prospective customers, would have resulted in compensation, commissions, or earnings for you within the 2 years prior to the date of your termination;

(ii) "**Competing Products/Services**" are any products, services, solutions, platforms, or activities that compete, directly or indirectly, in whole or in part, with one or more of the products, services or activities produced, provided or engaged in by NCR (including products, services or activities in the planning or development stage during your NCR employment) at the time of your separation from NCR and during the 2 years prior to termination of your NCR employment;

(iii) A "**Competing Organization**" is any person, business or organization that sells, researches, develops, manufactures, markets, consults with respect to, distributes and/or provides referrals with regard to one or more Competing Products/Services and includes all entities on the Competing Organization List;

(iv) The "**Competing Organization List**," which NCR updates from time to time, provides examples of companies that, as of the date of the List's publication, meet the definition of Competing Organization under Section 9(c)(iii) above. However, the Competing Organization List is not comprehensive and, in the event of a conflict between Section 9(c)(iii) and the Competing Organization List, Section 9(c)(iii) controls. The most recent version of the Competing Organization List in effect at the time of the termination of your NCR employment, which is available on the NCR HR intranet, or from the NCR Law Department or HR upon request, is the version to consult for relevant examples of Competing Organizations for purposes of this Agreement. As of the Grant Date, the companies listed in this Section (and the subsidiaries and affiliates of each) constitute NCR's Competing Organization List for 2021 (with designations such as "Inc." and "Corp." omitted from company names). This list will remain in effect until an updated list is approved/posted. You understand that the non-competition provisions in this Agreement are not limited to those on the list below, that other companies may qualify as competitors under this Agreement, and that you may be restricted from accepting employment or other work from such other companies, subject to the terms of this Agreement.

ACI Worldwide	Getronics	The ODP Corporation (Compucom)
Acuative	Gilbarco Veeder-Root	OpenTable
Agilysys	GK Software	Oracle
Altametrics	Global Payments	PAR Technology
Appetize	HP	Q2
Aptos	Infor	Qu
Auriga	Hyosung TNS	Revel Systems
Diebold Nixdorf	Instacart	Square
Dimension Data/NTT	Jack Henry & Assoc.	Temenos AG (includes Kony)
Euronet Worldwide	Korala Associates Ltd.	Tillster
FIS (Includes Zenmonics)	Lavu Inc.	Toast
Fiserv (Includes First Data and Clover)	Lightspeed POS (Includes Upserve, Breadcrumb, Shopkeep)	Toshiba TEC (includes Toshiba Global Commerce Solutions)
Flooid	LOC Software	Unisys
Fujitsu	NSC Global	

(v) All references to "**NCR**" in this Section 9 refer to NCR and any other Employer, including any company the stock or substantially all the assets of which NCR or any other Employer has acquired during the period applicable to the 2-year look back for the restrictive covenants referred to herein.

(d) **Consideration.** You acknowledge that (i) you would not have received the benefits and consideration provided under this Agreement, including the potential future vesting of equity awards, but for your consent to abide by the Post-Employment Restricted Covenants contained in Section 9(b); (ii) you must abide Section 9(b) regardless of whether any stock units or other equity has vested or been distributed as of the time of any violation of its terms; and (iii) your agreement to Section 9(b) is a material component of the consideration for this Agreement.

(e) **Remedies.** You agree that, if you breach any of the provisions of this Agreement: (i) NCR shall be entitled to all of its remedies at law or in equity, including money damages and injunctive relief; (ii) in the event of such breach, in addition to NCR's other remedies, any unvested Stock Units will be immediately forfeited and deemed canceled, and you agree to pay immediately to NCR the Fair Market Value of any Stock Units that vested during the 18 months prior to the date of your termination of employment (or if applicable law mandates a maximum time that is shorter than 18 months, then for a period of time equal to the shorter maximum period), without regard to whether you continue to own the Shares associated with such Stock Units; and (iii) NCR shall also be entitled to an accounting and repayment from you of all profits, compensation, commissions, remuneration or benefits that you (and/or the applicable Competing Organization) directly or indirectly have realized or may realize as a result of or in connection with any breach of these covenants, and such remedy shall be in addition to and not in limitation of any injunctive relief or other rights or remedies to which NCR may be entitled at law or in equity.

(f) **Subsequent Employment.** You agree that, while employed by NCR and for 1 year thereafter, you will communicate the contents of this Section 9 of this Agreement to any person, firm, association, partnership, corporation or other entity which you intend to become employed by, contract for, associated with or represent, prior to accepting and engaging in such employment, contract, association and/or representation.

(g) **Tolling.** [FOR US EMPLOYEES ONLY:] You agree that the Restricted Period will be tolled and suspended during the pendency of any legal proceedings to enforce any of the covenants set forth in this Section 9 and that no time that is part of or subject to such tolling and suspension will be counted toward the 12-month duration of the Restricted Period.

(h) **Reasonable and Necessary.** You agree that the Post-Employment Restrictive Covenants set forth in Section 9(b) are reasonable and necessary for the protection of NCR's legitimate business interests, that they do not impose a greater restraint than is necessary to protect the goodwill or other business interests of NCR, that they contain reasonable limitations as to time and scope of activity to be restrained, that they do not unduly restrict your ability to earn a living, and that they are not unduly burdensome to you.

(i) **Severability.** Each clause of this Agreement and Section constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are no greater than is necessary for the protection of NCR's interests. If any part or clause of this Section 9 is held unenforceable, it shall be severed and shall not affect any other part of Section 9 and this Agreement.

(j) **Amendment for California Employees Only**. Section 9(b)'s Non-Competition, Non-Solicitation, and Non-Recruit/Hire restrictions do not apply to you if, following the termination of your NCR employment, you continue to reside or work in California or any other jurisdiction that prohibits the application thereof. Notwithstanding the foregoing, you are and shall continue to be prohibited from any unauthorized use, transfer, or disclosure of NCR Confidential Information, including trade secrets, pursuant to the California Trade Secrets Act, the U.S. Defend Trade Secrets Act of 2016, your confidentiality and non-disclosure agreements with NCR, and any other applicable federal, state and common law protections afforded proprietary business and trade secret information.

(k) **Non-U.S. Country-Specific Amendments.** The restrictions contained in Section 9(b)(2) and/or (3) do not apply to you if, following the termination of your NCR employment, you continue to reside or work in a country that mandates, as a non-waiveable condition, continued pay during the Restricted Period, unless NCR advises you it will tender such pay, which shall be in the minimum amount required by local law. Section 9(b)(2) and/or (3) do not apply to you if you are terminated without cause (as this term or concept is defined by applicable law) and you reside in a country that requires termination for cause in order to enforce post-employment non-competition and/or non-solicitation restrictions. [FOR EMPLOYEES IN ARGENTINA, BELGIUM, China, Czech Republic, Israel, Serbia ONLY:] The restrictions set forth in Section 9(b)(2) and/or (3), as the case may be, shall have the additional consideration of a monthly payment from NCR during the term of the Agreement in such amount as is minimally required by law ("**Non-Competition Compensation**"); however, NCR may at any time, and it its sole discretion, waive the obligations and duties set forth in Section 9(b)(2) and/or (3), which shall release NCR from the obligation of making Non-Competition Compensation payments. Subject to the foregoing and local law, Non-Competition Compensation, if calculated based on monthly salary, will exclude any bonus, commissions, ex gratia payments, payments under any share option or incentive plan, benefits, "thirteenth-month" salary, or any payment in respect of any vacation entitlement accrued or that would have accrued during the period of the Agreement, and the payment of Non-Competition Compensation shall be made in monthly installments starting 1-month after the start of the Restricted Period (or, if applicable law mandates a maximum time that is shorter than 1 month, then for a period of time equal to that shorter maximum period) ("**Payment Period**"). If NCR does not commence the Non-Competition Compensation payments within the Payment Period, this shall affect a mutual release of Section 9(b)(2) and (3) obligations and no separate waiver need be provided by NCR. In such circumstances, you will not be subject to any ongoing non-competition or non-solicitation obligations, nor will NCR have any obligation to pay the Non-Competition Compensation; however, this release does not extend to the obligations under Section 9(b)(1), which will continue to apply. [FOR EMPLOYEES IN DENMARK, FRANCE, GERMANY ONLY:] Section 9(b)(2) and (3) of this Section do not apply to you if, following the termination of your NCR employment, you continue to reside or work in Denmark, France, or Germany; however, Section 9(b)(1) shall continue to apply. [FOR EMPLOYEES IN UAE ONLY:] In the event that you breach the Section 9(b)(3) Non-Competition restrictive covenant, you acknowledge that NCR will suffer irreparable damage, and you promise to pay NCR on demand damages in a sum equal to the amount of 6 months of your salary that was in effect when your NCR employment ended. You acknowledge that this sum represents a reasonable estimate of damages that NCR will suffer, and that, where local law allows, NCR may seek additional compensatory damages.

10. Arbitration, and Class, Collective, and Representative Action Waiver. **[FOR U.S. EMPLOYEES ONLY:]** You and NCR (collectively, the "Parties") agree that any controversy or claim arising out of or related to this Agreement and/or with respect to your employment with NCR and any other Employer shall be resolved by binding arbitration; the obligation to arbitrate shall also extend to and encompass any claims that you may have or assert against any NCR employees, officers, directors or agents. Notwithstanding the foregoing, the following disputes and claims are not covered by this Arbitration provision and shall therefore be resolved in any appropriate forum as required by the laws then in effect: claims for workers' compensation benefits, unemployment insurance, or state or federal disability insurance; claims for temporary or preliminary injunctive relief (including a temporary restraining order) in aid of arbitration or to maintain the status quo pending arbitration; and any other dispute or claim that has been expressly excluded from arbitration by statute. The Parties further agree that in the event of a breach of this Agreement, NCR or you may, in addition to any other available remedies, bring an action in a Court of competent jurisdiction for equitable relief pending appointment of an arbitrator and completion of an arbitration; and, in such instance, shall not be required to post a bond. If any portion of this Arbitration provision is held unenforceable, it shall be severed and shall not affect the duty to arbitrate nor any other part of this Section. In addition:

(a) The Parties agree that any demand for arbitration shall be filed within the statute of limitations applicable to the claim or claims upon which arbitration is sought or required, or the claim shall be barred. Arbitration shall be conducted in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association (available at www.ADR.org) to the extent not inconsistent with the terms of this Agreement. The arbitrator shall allow discovery in the form of: (1) the mutual exchange of documents (as defined under the Federal Rules of Civil Procedure) pertaining to the claim being arbitrated and for which there is a direct and demonstrable need; and (2) up to three depositions by each party. However, notwithstanding these general limitations, upon good cause shown, in a personal or telephonic hearing, the arbitrator may allow additional, non-burdensome discovery. The arbitrator shall balance the likely importance of the requested materials with the cost and burden of the discovery sought, and when disproportionate, the arbitrator may deny the request(s) or require that the requesting party advance the reasonable cost of production to the other side. Issues of arbitrability shall be determined in accordance with the U.S. federal substantive and procedural laws relating to arbitration; in all other respects, this Agreement shall be governed by the laws of the State of Georgia in the United States, without regard to its conflict-of-laws principles, and the arbitration shall be held in the metropolitan Atlanta, Georgia area, with the exception of employees who primarily reside and work in California or Washington, for whom arbitration shall be held in California and Washington respectively, and with respect to controversies arising in California, to which California law shall apply. The arbitration shall be held before a single arbitrator who is an attorney having at least five years of experience in employment law. The arbitrator's decision and award shall be written, final and binding and may be entered in any court having jurisdiction. The Parties agree that nothing in this Agreement relieves them from any obligation they may have to exhaust certain administrative remedies before arbitrating any claims or disputes under this Agreement. NCR shall be responsible for the cost of any filing fees to initiate arbitration and any other expenses of arbitration required by applicable law to be borne by the employer in an employment dispute. Each party shall bear its own attorney fees associated with the arbitration; other costs, and expenses of the arbitration, shall be borne as provided by the rules of the American Arbitration Association.

(b) **Class, Collective and/or Representative Action Waiver.** To the maximum extent permitted by law: (1) all covered claims under this Agreement must be brought in your individual capacity, and not as a plaintiff or class member in any purported class, collective or representative proceeding; (2) no claims may be brought or maintained on a class, collective or representative basis either in Court or in arbitration, notwithstanding the rules of the arbitral body; (3) such claims will be decided on an individual basis in arbitration pursuant to this Agreement; and (4) the Parties expressly waive any right with respect to any covered claims to submit, initiate, or participate as a plaintiff, claimant or member in a class action or collective action, regardless of whether the action is filed in arbitration or in court. Claims may not be joined or consolidated in arbitration with disputes brought by or against other individual(s), unless agreed to in writing by the Parties (you, NCR, and the other individual(s)). Any issue concerning the validity of this class, collective or representative action waiver, and whether an action may proceed as a class, collective or representative action, must be decided by a Court, and an arbitrator shall not have authority to consider the issue of the validity of this waiver or whether the action may proceed as a class, collective or representative action. If, for any reason, this class, collective and/or representative action waiver is determined to be unenforceable, then the class, collective or representative claim may proceed only in a Court of competent jurisdiction in Atlanta, Georgia and may not be arbitrated. No arbitration award or decision will have any preclusive or estoppel effect as to issues or claims in any future dispute.

(c) **Waiver of Jury Trial**. By signing this Agreement and consenting to Arbitration, both I and NCR are knowingly and voluntarily waiving any right to a jury trial.

11. Compensation Recovery Policy. By accepting the Stock Units, you agree that, to the extent the Stock Units constitute “Covered Incentive Compensation” under NCR’s Compensation Recovery Policy as amended from time to time (the “Recovery Policy”), then notwithstanding any provision of this Agreement, you may forfeit the Stock Units or be required to repay the Shares or Stock Units or the proceeds received from disposing of Shares or Stock Units under the Recovery Policy. You agree that NCR may, to the extent permitted or required by law or regulation (including the Dodd-Frank Act), enforce any repayment obligation under the Recovery Policy by reducing any amounts that may be owing from time to time by NCR to you, whether in the form of wages, severance, vacation pay or any other benefit or for any other reason, or enforce any other recoupment permitted by applicable law or regulation.

12. Beneficiaries. Beneficiaries may be designated (and designations may be changed or revoked), in the manner required by the Plan Administrator, to receive all or part of Stock Units in case of your death. In the event of your death, any portion of the Stock Units subject to such a designation that has not been superseded, modified or revoked in accordance with such procedures will be distributed to such beneficiary or beneficiaries in accordance with this Agreement. Any other portion of the Stock Units not designated by you will be distributable to your estate. If there is any question as to the legal right of any beneficiary to receive a distribution hereunder (as determined by NCR in its sole discretion), the Shares underlying the Stock Units 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. For information about TPA beneficiary procedures, or to revoke or change a beneficiary designation, call Fidelity at 1-800-544-9354 (U.S. grantees) or 1-800-544-0275 (non-U.S. grantees). Non-U.S. employees may access the toll-free number at: https://www.fidelity.com/customer-service/phone-numbers/overview.

13. Data Privacy. By entering into this Agreement, you understand and acknowledge that your personal data may be processed, in electronic or other form as described in the NCR Employee Privacy Notice applicable to your jurisdiction.

14. Non-Disclosure of Confidential Information, Including Trade Secrets. You acknowledge and agree that your employment with NCR or another Employer created a relationship of trust and confidence between you and the Employer with respect to, and that your position and its job duties exposed and/or will expose you to a broad variety of, NCR Confidential Information. As used in this Agreement, “NCR Confidential Information” means any information: of or held by NCR or any of its subsidiaries or affiliates that is not generally known or readily ascertainable by the public; or provided to NCR or any of its subsidiaries or affiliates by any person or entity subject to confidentiality obligations. NCR Confidential Information includes financial records, projections and forecasts, creations, discoveries, inventions, innovations, research, development, software, technology, works of authorship and the subject matter of intellectual property rights, company strategies, reports, plans, prospects and opportunities, employee information, market and sales information and plans (such as pricing, proposals and product introductions), and information about current and prospective customers (including their preferences and needs) and trade secrets. This Agreement, including its terms and conditions, shall be considered NCR Confidential Information. You agree, and represent and warrant, that you will not disclose or use and have not disclosed or used, in whole or in part, any NCR Confidential Information other than to the extent necessary in the ordinary course of performing your duties at and for your Employer and in accordance with NCR's and the Employer's policies, without the prior written consent of NCR, which may be granted or withheld in NCR's sole discretion, for any reason or no reason.

Notwithstanding anything to the contrary in this Agreement:

(a) In response to a valid subpoena, valid court, governmental or administrative order, or valid and mandatory discovery request ("Disclosure Request"), you may disclose, to the extent required thereby, requested NCR Confidential Information, or truthful testimony or information about NCR or your Employer (if different), provided, to the extent permitted by law, you provide NCR as much advance notice as practicable so as to enable NCR to seek to limit, condition, or quash such disclosure, as appropriate, including to obtain a protective order. Should you receive a Disclosure Request, you may reach out to NCR's General Counsel or its law department for assistance, but you are not required to do so.

(b) [US EMPLOYEES ONLY:] An individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and (2) solely for the purpose of reporting or investigating a suspected violation of the law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(c) You are not prohibited from reporting possible violations of the law to, or filing a charge or complaint with any federal, state or local governmental agency or commission ("Government Agencies"), including the Equal Employment Opportunity Commission, the Securities and Exchange Commission, the Department of Justice, or from making disclosures to Government Agencies that are protected by law (such as providing testimony and information during a government investigation), and you are not required to notify NCR that you have made any such reports or disclosures.

(d) [US EMPLOYEES ONLY:] This Agreement does not prohibit, nor shall it be interpreted as restraining or interfering with, employee rights under Section 7 of the National Labor Relations Act.

(e) (i) you may disclose this Agreement or any of its terms and conditions to your spouse, domestic partner, tax advisor, or attorney; and (ii) you may disclose the non-disclosure, non-competition, non-solicitation, and non-recruit/hire covenants herein to a prospective employer provided that you agree that you will, as applicable, require any persons or entities to whom disclosure is made as permitted in (i) or (ii) to keep such information confidential and not disclose it to others.

15. <u>No Advice Regarding Grant</u>. NCR is not (a) providing any tax, legal or financial advice, or (b) making any recommendations about your Plan participation, or any transaction relating to your Stock Units or the underlying Shares. You should consult with your own personal tax, legal and financial advisors before taking any Plan-related action.

16. <u>Electronic Documents and TPA Information</u>. This Agreement, including Section 9, is executed electronically, and is immediately binding upon your electronic acceptance. If you reside in a country that requires original ink signatures on paper, you waive this requirement to the extent permitted by law. You agree to receive all Award related documents electronically, and to participate in the Plan online through the TPA electronic system. Summaries and other information shown on the TPA website, which may be updated from time to time, shall be subject to the determinations of the Committee and the Plan Administrator, the Plan and this Agreement. The determinations of the Committee and the Plan Administrator, the Plan and this Agreement will govern in the event of any conflict with such TPA website summaries and other information.

17. <u>Severability, Waiver and Conflicting Terms</u>. The provisions of this Agreement are severable. If a court or other tribunal of competent jurisdiction holds any provision unenforceable or invalid, such provision will be severed and will not affect any other part hereof, which will be enforced as permitted by law; except that to the extent such invalid provision can be rendered valid by modification, you agree that the court or tribunal shall so modify such provision to render it valid and enforceable to the fullest extent permitted by law. You acknowledge that a waiver by NCR of breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or any subsequent breach of this Agreement. If this Agreement conflicts with the Plan in any respect, the Plan terms will prevail, except that Section 10 of this Agreement will prevail with respect to the law governing this Agreement and all claims relating to this Agreement.

18. Amendment. The NCR Board of Directors or the Committee or any delegate may amend your Award terms in this Agreement, except that no such amendment will be made that would materially impair your rights hereunder without your consent, except such an amendment made to comply with applicable law, including Code Section 409A, stock exchange rules or accounting rules.

19. Rules for Participants in Non-U.S. Jurisdictions. Notwithstanding anything herein or in the Plan to the contrary, if you are or become subject to the laws of a non-U.S. jurisdiction, your Award will be subject to (i) the special rules in Appendix A to this Agreement for your country and the laws and requirements of such non-U.S. jurisdiction to the extent so determined in the sole discretion of the Plan Administrator for legal or administrative reasons, and (ii) this Agreement's terms and conditions are deemed modified to the extent determined in the sole discretion of the Plan Administrator for legal or administrative reasons. Subject to Section 18, the Committee or the Plan Administrator may amend this Agreement before or after an Award is made and take any other action deemed appropriate in its sole discretion to obtain approval or comply with any necessary local governmental regulatory requirements or exemptions.

20. Code of Conduct Certification; Compliance with Insider Trading Laws and NCR Insider Trading Policy; Code Section 409A Compliance. Notwithstanding anything herein to the contrary, this Award of Stock Units and your right to receive payment of any Vested Stock Units are expressly conditioned upon your timely annual certification to the NCR Code of Conduct. If you do not timely provide any certification required by the Employer before vesting of any portion of the Stock Units, that portion of the Stock Units will be forfeited, except that no such forfeiture will occur unless you are provided written notice (which notice may be provided by email) of the impending forfeiture, and you do not provide your certification to NCR's Code of Conduct within thirty days following such notice.

With respect to any Shares distributed under this agreement, you understand and agree that you are responsible for reviewing, understanding and complying with Insider Trading laws and NCR's Insider Trading Policy (available on the internet or by request from the NCR Law Department), and that you may not trade in NCR securities except in compliance with the NCR Insider Trading Policy (as may be amended from time to time), which is incorporated herein by reference. You should consult an attorney if you have questions concerning such matters.

The parties intend that payments under this Agreement comply with Code Section 409A or are exempt therefrom, and this Agreement shall be interpreted, administered and governed in accordance with such intent.

21. No Employment Modification. The Plan and this Agreement do not constitute a contract of employment or impose on you or any Employer any obligation to retain you as an employee, to change the status of your employment, or to change the Employer's policies regarding termination of employment. For U.S. employees, employment with the Employer is at will, which means that you or the Employer may terminate the employment relationship at any time, with or without cause, unless otherwise provided in a valid, formal written employment agreement signed by you and an officer of the Employer.

22. Execution and Validity of Agreement. This Agreement shall be binding and effective upon NCR on the Grant Date. However, you will forfeit your Award and this Agreement shall have no force and effect if you do not duly execute it electronically on the TPA website at www.netbenefits.fidelity.com, in the form required by the Plan Administrator, within ninety (90) days after the Grant Date (or by other date required by the Plan Administrator).

23. Notices. All notices required hereunder shall be in writing and shall be deemed given upon the following business day if delivered personally (provided receipt of which is confirmed) or by courier service promising overnight delivery (with delivery confirmation) or five (5) business days after deposit in the U.S. Mail, certified with return receipt requested. All notices shall be addressed as follows: (a) If to NCR: **NCR Corporation** 864 Spring Street NW Atlanta GA 30308 Attn: General Counsel, with a copy via electronic mail to: law.notices@ncr.com, (b) if to you: your last known address shown in the personnel records of NCR, or (c) to such other address as either party will have furnished to the other in writing.

<u>APPENDIX A</u>
PROVISIONS FOR NON-U.S. PARTICIPANTS

Fitness Plan Restricted Stock Unit Award Agreement

<u>Article I. Provisions for All Non-U.S. Participants</u>

The following terms and conditions set forth in this Article I of <u>Appendix A</u> apply to Participants residing outside the United States or otherwise subject to the laws of a non-U.S. country. In general, the terms and conditions in this <u>Appendix A</u> supplement the provisions of the Agreement, unless otherwise indicated herein.

1. **Nature of Grant.** In accepting the grant, you acknowledge, understand and agree that: (a) the Stock Units and the Shares of Common Stock subject to the Stock Units are not intended to replace any pension rights or compensation; (b) the Stock Units and the Shares of Common Stock subject to the Stock Units and the income and value of same, are not part of normal or expected compensation for any purpose; (c) the future value of the underlying Shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty; (d) no claim or entitlement to compensation or damages shall arise from forfeiture of the Stock Units resulting from your Termination of Employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of Stock Units to which you are otherwise not entitled, you irrevocably agree never to institute any claim against NCR, any of its Subsidiaries or Affiliates or the Employer, waive your ability, if any, to bring any such claim, and release NCR, its Subsidiaries and Affiliates, and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; (e) for purposes of the Stock Units, your employment or service relationship will be considered terminated as of the date you are no longer actively providing services to NCR or the Employer (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any) and unless otherwise expressly provided in this Agreement or determined by NCR, your right to vest in the Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (for example, your period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); the Committee shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your Award (including whether you may still be considered to be providing services while on a leave of absence); (f) unless otherwise provided in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Company; and (g) neither NCR, the Employer nor any Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Stock Units or of any amounts due to you pursuant to the settlement of the Stock Units or the subsequent sale of any Shares of Common Stock acquired upon settlement.

2. **Language.** If you received this Agreement or any Plan related document translated into a non-English language, the English versions will control in the event of conflict. You acknowledge that it is your express wish that this Agreement, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. By accepting your Award, you confirm having read and understood the Plan and this Agreement, including all terms and conditions of each, which were provided in English. You accept the terms of those documents accordingly.

3. **Conditions for Issuance.** Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon settlement of the Stock Units prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and

Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. You understand that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. The grant of Stock Units is not intended to be a public offering of securities in your country, and the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities in connection with this grant, and the grant of the Stock Units is not subject to the supervision of the local securities authorities.

4. **Repatriation and Other Non-U.S. Compliance Requirements.** As a condition of the grant of your Stock Units, you agree to repatriate all payments attributable to the Shares of NCR Common Stock and/or cash acquired under the Plan (including dividends and dividend equivalents) in accordance with local foreign exchange rules and regulations in your country of residence (and your country of employment, if different). In addition, you also agree to take any and all actions, and consent to any and all actions taken by the Company, its Subsidiaries and Affiliates, as may be required to allow the Company, its Subsidiaries and Affiliates to comply with local laws, rules and regulations in your country of residence (and your country of employment, if different). Finally, you agree to take any and all actions as may be required to comply with your personal legal and tax obligations under local tax, exchange control, insider trading and other laws, rules and regulations in your country of residence (and your country of employment, if different) with respect to the Stock Units and the NCR Common Stock issued with respect thereto.

5. **Insider Trading Restrictions/Market Abuse Laws.** You acknowledge that your country of residence may subject you to insider trading and/or market abuse laws, which may restrict your ability to acquire or sell Shares or rights to such Shares (e.g., Stock Units) under the Plan during times you are considered to have "inside information" about NCR (as defined by your country's laws). Such restrictions apply in addition to any NCR insider trading policy restrictions. You acknowledge that it is your responsibility to comply with any applicable restrictions. You should consult with your personal advisor on these matters.

Article II. Country-Specific Provisions for Non-U.S. Participants

This Article II of Appendix A includes special terms and conditions that apply if you reside in the below countries. These terms and conditions are in addition to (or, if indicated, in place of) those set forth in the Agreement. Capitalized terms used but not defined in this Article II have Agreement definitions (or if none, the Plan definitions). This Article II also includes information relating to exchange control and other issues that you should be aware with respect to Plan participation. The information is based on the exchange control, securities and other laws in effect in the respective countries as of the Grant Date. Such laws are often complex and change frequently. As a result, NCR strongly recommends that you do not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Stock Units are Vested or Shares acquired under the Plan are sold. In addition, the information is general in nature and may not apply to your particular situation and NCR is not in a position to assure you of any particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation. Finally, if you are a citizen or resident of a country other than the one in which you are currently working, are considered a citizen or resident of another country for local law purposes, or transfer employment or residency to another country after the Grant Date, the notifications contained herein may not be applicable to you. In addition, NCR shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you.

CHINA

Settlement of Stock Units. This provision supplements Section 3 of the Agreement. To facilitate compliance with exchange control laws and regulations in the People's Republic of China ("China"), you agree to the sale of any Shares to be issued upon vesting and settlement of the Stock Units. The sale will occur (i) immediately upon vesting and settlement of the Stock Units, (ii) following your Termination of Employment, or (iii) within any other time frame as the Company determines to be necessary to facilitate compliance with local regulatory requirements. You further agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on your behalf pursuant to this authorization) and you expressly authorize the Company's designated broker to complete the sale of such Shares. You agree to sign any agreements, forms and/or consents that may be reasonably requested by NCR (or the broker) to effectuate the sale of the Shares of Common Stock and shall otherwise cooperate with NCR with respect to such matters. You acknowledge that neither NCR nor the broker is under any obligation to arrange for the sale of the Shares of Common Stock at any particular price and that broker's fees and similar expenses may be incurred in any such sale. In any event, when the Shares of Common Stock are sold, the proceeds of the sale of such Shares, less any Tax-Related Items and the broker's fees, commissions or similar expenses, will be remitted to you in accordance with applicable exchange control laws and regulations.

Exchange Control Restrictions. You understand and agree that, if you are subject to exchange control laws in China, you will be required to immediately repatriate to China the proceeds from the sale of any Shares acquired under the Plan. You further understand that such repatriation of the proceeds may need to be effected through a special exchange control account established by NCR or a Subsidiary or Affiliate, and you hereby consent and agree that the proceeds from the sale of Shares acquired under the Plan may be transferred to such account by NCR (or the broker) on your behalf prior to being delivered to you. You also agree to sign any agreements, forms and/or consents that may be reasonably requested by NCR (or the broker) to effectuate such transfers.

The proceeds may be paid to you in U.S. dollars or local currency at NCR's discretion. If the proceeds are paid to you in U.S. dollars, you understand that you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are paid to you in local currency, (i) you acknowledge that NCR is under no obligation to secure any particular exchange conversion rate and that NCR may face delays in converting the proceeds to local currency due to exchange control restrictions, and (ii) you agree to bear any currency fluctuation risk between the time the Shares are sold and the time the proceeds are converted to local currency and distributed to you. Finally, you agree to comply with any other requirements that may be imposed by NCR in the future in order to facilitate compliance with exchange control requirements in China.

ISRAEL

Trust Arrangement. You understand and agree that this Award is offered subject to and in accordance with the terms of the Plan and its Israeli specific terms in this Article II of Appendix A. Upon vesting, the Shares shall be controlled by the Company's trustee appointed by the Company or its Subsidiary or Affiliate in Israel (the "Trustee") for your benefit for at least such period of time as required by Section 102 or any shorter period determined under the Israeli Income Tax Ordinance (New Version), 5721-1961 as now in effect or as hereafter amended (the "Ordinance") (with respect to the "capital gain route") or by the Israeli Tax Authority (the "Lock-Up Period"). You shall be able to request the sale of the Shares or the release of the Shares from the Trustee, subject to the terms of the Plan, this Agreement and any applicable Israeli tax law. Without derogating from the aforementioned, if the Shares are released by the Trustee during the Lock-Up Period, the sanctions under Section 102 of the Ordinance shall apply to and be borne by you. The Shares shall not be sold or released from the control of the Trustee unless the Company, the Subsidiary or Affiliate and the Trustee are satisfied that the full amount of Tax-Related Items due have been paid or will be paid in relation thereto. Notwithstanding any provision of this Agreement or the Plan to the contrary except the provisions in Section 2 and 4 of this Agreement relating to a Good Reason Termination (as defined herein) or your Retirement (in each case, to the extent specifically applicable to you), in the event of your resignation from service with NCR or the Employer due to any reason, including worsening of employment conditions, or any other reason relating to conditions of employment, all unvested Stock Units will automatically terminate and be forfeited and no Shares or cash will be issued or paid to you (as the case may be).

December 28, 2017

Personal & Confidential

Mr. Daniel W. Campbell

[***]

Dear Dan,

Welcome to the new NCR, a global technology company that runs the everyday transactions that make your life easier.

With a global presence in 180 countries, our employees around the world offer a broad perspective and range of skills that enable our customers to making every customer interaction with their business an exceptional experience.

We are pleased to present you with this revised offer of employment at NCR. I am certain you will be the transformational leader we need for NCR's Global Sales organization.

On behalf of NCR, we look forward to you joining us.

Employer (Legal Entity):

NCR Corporation (the 'Company')

Position:

Executive Vice President — NCR Global Sales; and upon joining NCR you will be appointed as a Section 16 Executive Officer of the Company by the NCR Board of Directors.

Job Grade:

This position is a Grade 22

Reporting To:

Mark Benjamin, President and Chief Operating Officer

Business Unit:

NCR Chief Operating Officer (COO) Organization

Office Location:

Atlanta, Georgia Office

Start Date:

Your employment with NCR will commence on a mutually agreeable day, which is expected to occur on or before February 5, 2018.

Base Salary:

Your annual base salary will be US$575,000 commencing on your start date. We operate our payroll on a bi-weekly pay schedule where you will be paid two weeks' salary seven (7) days following the close of each pay cycle.

Management Incentive Plan:

Effective on your start date you will participate in NCR's Management Incentive Plan (MIP) subject to the terms of the Plan. The Plan is an annual bonus program with a payout that varies based on NCR's results, your organization's results, and your individual performance; it is payable in the first calendar quarter following the plan year.

Your MIP target incentive opportunity will be 100% of your annual base salary (with a maximum potential payout equal to 3 times your target incentive opportunity), where the payout will be based on NCR Global Sales' achievement of its annual "Core Financial Measures" and certain MBOs that will be established for you each plan year.

You will also participate in the Customer Success component of the MIP, representing a target incentive opportunity equal to 10% of your annual base salary (with a maximum potential payout equal to 10% of your annual base salary, which operates as a "make or miss" opportunity), where the payout will be linked to NCR's overall achievement of our annual Customer Loyalty goals.

Please note that the MIP guidelines are subject to change from time to time, which will be determined at the discretion of the Compensation and Human Resource Committee of the NCR Board of Directors (hereinafter, the "Committee").

Cash Sign-on Bonus:

Subject to your acceptance of this offer you will receive a one-time, Cash Sign-on Bonus in the amount of US$150,000 (less applicable taxes and other payroll deductions). Your Cash Sign-on Bonus will be payable to you within thirty (30) days after your start date with NCR.

Please note that if you resign from NCR for any reason within twelve (12) months of your first day of employment with NCR, you will be required to repay any Cash Sign-on Bonus payment you receive in the full amount within sixty (60) days of your resignation from NCR.

Long Term Incentive (LTI) Equity Awards:

Subject to your acceptance of this offer and approval by the Committee, you will receive a New Hire LTI Equity Award with a total value equal to US$3,000,000, to be delivered in the form of NCR's Single-Metric, Performance-Based Restricted Stock Units, where the payout will be determined based on NCR's achievement of a "make-or-miss" performance goal for the 2018 performance year as established by the Committee. The effective date (or "Grant Date") of your New Hire LTI Equity Award will be the later of the first calendar day of the month following your start date or March 1, 2018, and will vest evenly over three (3) years (1/3rd per year) on each anniversary of the Grant Date.

Effective for 2018 you will also be eligible to participate in NCR's Annual LTI equity award program that typically occurs each year in February. Included as part of your offer is our commitment that you will receive a 2018 Annual LTI equity award with a total grant value of no less than US$1,500,000, subject to approval by the Committee. NCR Annual LTI Equity Awards for Executive Officers are typically granted in a combination of NCR Performance-Vesting RSUs (25%) and Performance-Based RSUs (75%) as determined by the Committee.

You must be a current employee of NCR on the Grant Date in order to be eligible to receive any NCR LTI Equity Award. Other terms, including vesting, are set forth in the plan governing these awards, and you must electronically accept the award agreement each time one is made in order to be eligible to receive its benefits.

Executive Severance Benefits:

As Executive Vice President, you will participate in NCR's Executive Severance Plan. The severance plan provides certain benefits in the event that your employment is involuntarily terminated by NCR other than for "Cause" (as defined below).

In the event of a qualified termination of employment entitling you to benefits under the plan, you will receive a cash severance payment equal to one (1.0) times the sum of your annual base salary and target bonus (as defined in the plan), payment of COBRA premiums for up to eighteen (18) months after the termination date, and Executive C

Further, in the unlikely event that a qualifying termination of employment occurs during the first two years of your employment with NCR, you will receive immediate vesting of the unvested portion of your New Hire LTI Equity Award and the unvested portion of your 2018 Annual LTI Equity Award (where the performance-based portion of such unvested LTI Equity Awards will be determined at the "target" number of shares awarded on the Grant Date).

With respect to the benefits provided under the NCR Executive Severance Plan, "Cause" shall mean termination of employment by the Company in connection with: (A) conviction of the Participant (as defined under the plan) for committing a felony under U.S. federal law or the law of the state or country in which such action occurred, (B) dishonesty in the course of fulfilling the Participant's employment duties, (C) failure on the part of the Participant to perform substantially such Participant's employment duties in any material respect, (D) a material violation of the Company's Code of Conduct, or (E) such other events as shall be determined by the Administrator and communicated to the Participant in writing.

In order to receive any severance benefits you are required to execute a general release of all claims in a form acceptable to NCR.

Change-In-Control Severance Plan:

As Executive Vice President, you will also be eligible to participate in NCR's Change in Control (CIC) Severance Plan with a "Tier II" benefit level. Subject to the terms and conditions of the CIC plan, in the event of a qualified termination of employment following a Change-In-Control event (as defined in the plan), you will receive a severance benefit equal to two (2) times the sum of your annual base salary and annual target bonus (as defined in the plan). The CIC plan is subject to amendment or termination by NCR in accordance with the plan terms.

Executive Medical and Financial Planning Allowance:

Further, as Executive Vice President, you will also be eligible to participate in NCR's annual Executive Medical Exam Program and annual Executive Financial Planning Program.

The Executive Medical Exam Program currently provides up to US$5,000 on an annual basis for progressive, diagnostic analysis by NCR's provider of choice. The Executive Financial Planning Program currently provides an annual taxable reimbursement in an amount up to US$12,000 for actual services incurred with respect to your tax and financial planning needs.

Each of these programs are subject to amendment or termination by the Committee.

Executive Relocation Program:

As part of your offer to join NCR, you will be eligible for NCR's Executive Relocation Program, which includes the benefits outlined on the attached Executive Relocation Program Summary.

When the timing is right for you and if mutually agreed, we will initiate your executive relocation process where a Weichert Executive Relocation Counselor will be in contact with you to discuss your personal relocation needs to move you and your family to the Atlanta area.

Vacation/Holidays:

Under NCR's vacation policy you are entitled to receive paid vacation days and holidays. Eligible vacation is based on grade level or years of NCR service, whichever provides the greater benefit.

NCR also provides six (6) Floating Holidays, which can be used at any time during the year while recognizing customer and business needs. In the first year of hire, the number of available floating holidays is prorated.

Additionally, NCR recognizes the following six (6) days as paid holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Other Terms and Conditions of Employment:

This offer of employment is contingent upon your acceptance of the terms and conditions of employment outlined in this offer letter (and Appendix A), and your passing a drug screen and background check. In addition, this offer is contingent upon your agreement to certain restrictive convents concerning non-competition, non-customer-solicitation and non-recruitment/hiring, where such provisions are enforceable by law. These covenants are set out in the Non-Competition Agreement included in your offer package, which you must also sign.

This letter supersedes and completely replaces any prior oral or written communication concerning the subject matters addressed in this letter. This letter 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.

* * * * *

Dan, we are very excited about the contributions, experience and knowledge you can bring to NCR. We have assembled some of the best professionals in the industry and are convinced that your expertise will help us further enhance the Company's reputation and help NCR complete the transformation needed to deliver on our Vision 2020 strategy.

If you have any questions about this offer or wish to discuss the role further, please do not hesitate to contact either [***] or myself at any time so you can make an informed decision about this opportunity with NCR.

Sincerely,

Mark D. Benjamin
President and Chief Operating Officer
NCR Corporation

Copy to: Andrea L. Ledford, EVP — Chief Administration Office and Chief HR Officer [***]

Accepting this Offer of Employment:

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 or to any other post-employment restrictive covenants that 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.

You further acknowledge that this employment letter, Appendix A and the Non-Competition Agreement and Related Covenants documents reflect the general description of the terms and conditions of your employment with NCR, and is not a contract of employment for any definite duration of time. The employment relationship with NCR is by mutual consent ("Employment at Will"). This means either you or NCR have the right to discontinue the employment relationship with or without cause at any time and for any reason.

I have read the foregoing information relative to NCR's conditions of employment and understand that my employment offer is conditioned upon their satisfaction.

I accept NCR's terms and conditions of employment:

/s/ Daniel W. Campbell
Daniel W. Campbell

Ja
Date

NON-COMPETITION AGREEMENT AND RELATED COVENANTS

Non-Competition, Non-Solicitation and Non-Recruitment

By accepting this offer of employment, you agree that during your employment with the Company (including its subsidiaries and affiliates) and for a twelve month period after termination of your employment with the Company (or if applicable law mandates a maximum time that is shorter than twelve (12) months, then for a period of time equal to that shorter maximum period), regardless of the reason for termination, you will not yourself or through others, without the prior written consent of the Chief Executive Officer of the Company:

i. Perform services, directly or indirectly that satisfy the following three conditions: (i) of the type conducted, authorized, offered, or provided by you on behalf of the Company within the two years prior to your termination; (ii) in connection with products, services, systems or solutions that are similar to or serve the same functions as those with respect to which you worked for the Company within the last two years of your Company employment; and (iii) on behalf of any named "Competing Organizations" listed below or, as applicable, on the list currently in effect at the time of termination of your employment (available from the Human Resources intranet website or the Law Department);

ii. Perform services, directly or indirectly that satisfy the following four conditions, (i) of the type conducted, authorized, offered, or provided by you on behalf of the Company within the two years prior to your termination; (ii) in connection with products, services, systems or solutions that are similar to or serve the same functions as those with respect to which you worked for the Company within the last two years of your employment preceding your termination; (iii) on behalf of yourself or a person or entity in competition with the Company that is not one of the named "Competing Organizations" listed below or, as applicable, on the list currently in effect at the time of termination of your employment (available from the Human Resources Intranet website or the Law Department); and (iv) anywhere within the United States, or in any State or territory thereof in which the Company does or did business during your employment, all of which States are deemed to be separately set forth here and the names of which are incorporated by reference;

iii. Directly or indirectly recruit, hire, solicit or induce, or attempt to recruit, hire, solicit or induce, any employee of the Company, its subsidiaries or affiliates, to terminate his or her employment with the Company, its subsidiaries or affiliates; or

iv. Solicit or attempt to solicit the business of any Company customers or actively sought prospective customers with which you had material contact during the last two years of your employment. "Material contact" means the contact between you and each customer or actively sought prospective customer (i) with which you dealt on behalf of the Company, (ii) whose dealings with the Company were coordinated or supervised by you, (iii) about whom you obtained confidential information in the ordinary course of business as a result of your association
ted
in compensation, commissions, or earnings for you within the two years prior to the date of the your termination.

The covenants outlined above are a material component of the consideration supporting this Agreement and they support the consideration you receive as set forth in your Offer Letter. If you breach any of them, the Company shall be entitled to all of its remedies at law or in equity, including but not limited to money damages and injunctive relief.

Competing Organizations

For purposes of this Agreement, "Competing Organizations" shall be the following as of August 2017. The list of Competing Organizations is updated and revised from time to time, and such updated lists shall be deemed a part of this Agreement; the current list may be obtained from the Law Department or the Human Resources Department upon request, or from the Human Resources Intranet website.

ACI Worldwide	Glory	PCMS
Acuative	GRG Banking Equipment	Pendum (Burroughs)
Agilysys	GRG International	Pinnacle Corp
Aikami	Hisense Intelligent Commercial System	Presidio
Allure Global Solutions	Hitachi	Q2
Altametrics	Hitachi-Omron Terminal Solutions	QSR Automations
Appetize	HotSchedules Inc	Red Prairie Holding (JDA & Escalate)
APTOS	HP Inc.	Retail Pro International
Arinc.	IBM Corp	Revel Systems
Bematech (TOTVS SA)	IER	RTC Quaterion Group
Black Box	Infor	ShopKeep
Burroughs (Pendum)	Ipsoft	SICOM
Bypass Mobile LLC	ITAB Group	SITA
CompuCom	Itasca Retail Information Systems	Sonda
CrunchtIme	Jack Henry & Assoc.	Spartan Computer Services
Cuscapi	Kiosk Info Sys (KIS)	SPSS
Datalogic SpA	Kony Retail Banking	Symphony EYC
Dell, Inc.	Korala Associates Ltd (KAL)	Task Retail Technology
Diebold Nixdorf	Lavu Inc.	TIBCO Loyalty Lab
Diebold UK	LOC Software	Tilister
Dimension Data	Logicalis	Toast, Inc.
ECR Software Corp	Magstar	Toshiba TEC
Elo	Malauzai Software Inc	TOTVS SA (Bematech)
Epicor	Manhattan Associates	Unisys
eRestaurant Systems	M19 Retail	Upserve (Breadcrumb)
FIS	Micros - See Oracle	Vista Retail Support
Fisery	Mobile Travel Technologies	Vsoft Corp
Fourth Ltd	Nautilus Hyosung	Wand
Fujitsu	NSC Group	Wayne Fueling Systems
FuturePOS	OKI (Itautec)	Wescom Resources Group
Getronics	Onepath	Wincor Nixdorf UK
Gilbarco Veeder-Root	Open Table	Xpient
GK Software	Oracle	Zebra Technologies Corp
Global Payments	PAR Technology	Zonal Retail Data

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 to perform your duties hereunder for the benefit of the Company 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, algorithms, programs, code, sequences, developments, designs, assays and techniques, data, and client and customer lists and all computer records;

ii. Information regarding plans for research, development, new products, marketing plans, sales plans, business plans, budgets, unpublished financial statements, licenses, prices and costs, suppliers and customers;

iii. Information regarding the skills and compensation of other employees of the Company, its subsidiaries and affiliates; and

iv. The documents and files, whether paper or electronic, containing such 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, computer files, drives, storage devices, disks and other media (and all copies thereof) containing any Confidential Information. You will also ensure that after termination of your employment you retain no Confidential Information in computers or devices belonging to you, and will advise the Company if you do have Confidential Information in such locations. You promise not to destroy or delete any of the Company's Confidential Information, including but not limited to your Company email and electronic files, and you promise not to erase or "wipe" any Company computer or its drives, or any media containing the Company's Confidential Information.

Reasonableness of Restrictive Covenants
You acknowledge and agree that the time, territory and scope of the post- employment restrictive covenants in this letter (collectively, the "Restrictive Covenants") are reasonable and necessary for the protection of the Company's legitimate business interests. You further acknowledge and agree that you have had a full and fair opportunity to be represented by counsel regarding this offer and to consider the Restrictive Covenants 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, other compensation and benefits as described in your Offer Letter, training and development to be made available to you, and all other consideration provided to you under the terms of the Offer Letter.

Dispute Resolution
You agree that, where permitted by local law, any controversy or claim arising out of or related to your employment with the Company, including but not limited to this offer fetter and its appendices and the Restrictive Covenants, and any ancillary agreements with the Company into which you may enter, shall be resolved by binding arbitration. If you are employed in the United States, the arbitration shall be pursuant to the then current rules of the American Arbitration Association in or near the city where you work or worked for the Company. If you are employed outside the United States, where permitted by local law, the arbitration shall be conducted in the regional headquarters city of your business organization. The arbitration shall be held before a single arbitrator who is an attorney. The arbitrator's decision and award shall be final and binding and may be entered in any court having jurisdiction. For arbitrations held in the United States, issues of arbitrability shall be determined in accordance with the federal substantive and procedural laws relating to arbitration; in all other respects, this agreement and its terms shall be governed by the laws of the State of Georgia, without regard to its conflict-of-laws principles. Each party shall bear its own attorney fees associated with the arbitration; other costs, and the expenses of the arbitration, shall be borne as provided by the rules of the American Arbitration Association or by similar applicable rules for an arbitration held outside the United States. If any portion of this paragraph is held unenforceable, it shall be severed and shall not affect the duty to arbitrate or any other part of this paragraph.

Notwithstanding the preceding paragraphs, you acknowledge that if you breach any of the Restrictive Covenants set forth in this Agreement, the Company will sustain irreparable injury and will not have an adequate remedy at law. As a result, you agree that in the event of your breach any of this Agreement and/or the Restrictive Covenants, the Company may, in addition to any other remedies available to it, bring an action in a court of competent jurisdiction for equitable relief pending appointment of an arbitrator and completion of an arbitration, and in such instance shall not be required to post a bond.

Agreed and Accepted

/s
D .

Appendix A
NCR Conditions of Employment

The Company requires employment candidates to successfully complete various employment documentation and processes. You assume any and all risks associated with terminating any prior or current employment and making any financial or personal commitments based upon the Company's conditional offer.

This offer of employment is conditioned upon your satisfying and agreeing to the following:

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 the Company permission to release the results to company designated officials.

Background Check Verification
This offer of employment is conditioned upon the completion of a full background check and our satisfaction with the results, in accordance with local privacy laws. The Company, at its discretion may, on its own or through an outside agency, conduct a background check of all the information and documents submitted by you. You expressly consent to such a background check and also agree that if the Company, as a result of such a background check, finds any discrepancy or misrepresentation, then your offer may be rescinded or your employment may be terminated immediately.

You understand and agree that, if required, the Company may provide its customers with verification that you have passed certain background check requirements before you will be permitted to service those accounts.

You also understand that if the Company hires you or contracts for your services, your consent will apply, and the Company may, as allowed by law, obtain additional background reports pertaining to you, without asking for your authorization again, throughout your employment or contract period from an outside agency.

U.S. Employment Eligibility
Pursuant to the terms of the Immigration and Control Act of 1986, the Company can only hire employees if they are legally entitled to work and remain in the United States. Accordingly, the Company will verify your employment eligibility through the 1-9 and E-Verify employment verification processes. If you commence employment with the Company, you understand that you will be required to complete the I-9 employment eligibility verification process within three business days after your start date. Please refer to the 1-9 information sheet in this hire packet for instructions on how to complete this process.

You also understand that the Company participates in the E-Verify program and that the information you provide to us during the 1-9 employment verification process will be compared against information maintained in Department of Homeland Security and Social Security Administration databases. Please refer to the enclosed information regarding E-Verify in this hire packet for additional information, including your rights under the program.

Finally, U.S. export regulations promulgated by the U.S. Departments' of Commerce and State restrict the release of U.S. technology to foreign nationals (persons that are not citizens or permanent residents of the U.S.). Your employment by the Company will be conditional on a determination that your access to the Company's technology will not be prohibited under applicable U.S. export regulations based on your country of citizenship or permanent residency. Please note that any information the Company collects from you for export compliance purposes will not be used for any other purposes.

Employee Privacy Notice and Consent

As a condition of employment you must agree to the enclosed document `Employee Privacy Notice and Consent'.

Mutual Agreement to Arbitrate all Employment Related Claims

As a condition of employment for any position, you must read, understand and agree to the enclosed document, Mutual Agreement to Arbitrate All Employment Related Claims. By signing this acceptance of employment, you are verifying the receipt of this document and your agreement and willingness to abide with the contents of the Mutual Agreement to Arbitrate Agreement.

NCR Employment Agreement

As a condition of employment, you must read, understand and agree to the enclosed document: NCR Employment Agreement. By signing this acceptance of employment, you are verifying the receipt of this document and your agreement and willingness to abide with the contents of the Company's Terms and Conditions of Employment.

Code of Conduct

As part of your orientation to the Company, employees, including senior management, are required to complete the Company's Code of Conduct. This training must be completed within 30 days of your start date. Directions for accessing the training will be provided via email after your start date.

Employees with computer access must complete a 30 minute web-based training and certification module. This module is designed to familiarize you with our global standards of business conduct. While we recognize there are local laws and regulations that must also be followed, it is important that all employees understand and adhere to our global standard of business conduct. For employees who do not have computer access, please obtain a copy of the Company's Code of Conduct and certification form from your manager and it will be returned to the NCR Corporation, Ethics & Compliance Office, 3097 Satellite Blvd, Building 700, Duluth, GA 30096.

Your completion of the Company's Code of Conduct training and/or certification form demonstrates your personal commitment to conducting business legally and ethically.

Agreed and Accepted

/s/ Daniel W. Campbell Date: January 12, 2018
Daniel W. Campbell **Date**

[***executive relocation program summary redacted]

EVERYDAY MADE EASIER™

January 8, 2018

Personal & Confidential

Adrian,

I am very excited about your new role of Senior Vice President of NCR Global Hardware Product Operations organization, a truly well-deserved promotion.

While only joining NCR just a few months ago, you have quickly displayed your skills and capabilities, and have certainly made considerable contributions to the Hardware Product Operations team. I am particularly excited about 2018 and the direction you have begun to take to improve our core hardware operations with a goal of lowering our costs, improving our quality, which will ultimately make NCR more competitive in today's marketplace. Our ambitions of becoming a well-diversified software and solutions company align directly to the success of your Hardware Product Operations vision, as we rarely sell hardware without an accompanying software solution included.

In the coming weeks, I will be meeting with you to discuss your 2018 individual goals. I know you will be doing the same with your direct reports, so let's be sure to collaborate so we have the right aligned priorities and goals cascading across your teams.

Outlined below is your new compensation associated with your promotion, which is effective today. We have also included a table that conveniently compares your new promotional compensation with your previous compensation.

- Senior Vice President – NCR Hardware Product Operations (Grade 21) where you will now report to me directly effective January 8, 2018;
- Participation on NCR's Executive Leadership Team and nomination to the NCR Board of Directors for appointment as an NCR Executive Officer and Section 16 reporting person;
- 2018 Base Salary of $525,000 effective January 8, 2018;
- 2018 MIP Target of 100% & Customer Success Target of 10% effective January 1, 2018;
- 2018 Annual LTI Award commitment of $2,000,000 to be granted on February 20, 2018 (subject to approval by NCR's Compensation and Human Resource Committee);
- 2018 Executive Medical Exam Benefit (up to $5,000) and Executive Financial Planning Fee Reimbursement of up to $12,000;
- Eligibility for NCR's Change In Control (CIC) Severance Plan (subject to approval by NCR's Board of Directors) which provides a Cash Severance benefit equal to 2x base salary plus target bonus (and certain other benefits) upon a CIC event and a qualifying termination;
- 2017 MIP & Customer Satisfaction payout will be determined after our 2017 performance results have been released and any payouts are approved by the Committee (where your 2017 MIP payout will not be less than $180,000 as outlined in your NCR offer letter).

In line with our pay-for-performance culture, your promotion compensation opportunity aligns with my confidence in your ongoing contribution to NCR. Shortly after the 2018 LTI Award grant date you will receive an NCR LTI "Waterfall Chart" that will provide you a view of your overall NCR LTI equity awards and potential future value.

We have set challenging aspirational goals and I am confident that together we will work to exceed those goals and complete our transformation.

Congratulations on your promotion. I'm also looking forward to having you on my leadership team where you will always have my support and sponsorship. Let's make 2018 a year of change and improvement for Global Hardware Product Operations!

Sincerely,

MarkB

Adrian Button

2018 Target Compensation Opportunity

Pay Element	2017 Target Compensation		2018 Target Compensation		Y/Y Change
Base Salary		***$480,000***		***$525,000***	**+9.4%**
-MIP Target	*75%*	*$360,000*	*100%*	*$525,000*	
-CS Target	*10%*	*$48,000*	*10%*	*$52,500*	
-Total Target Bonus	*85%*	*$408,000*	*110%*	*$577,500*	
Target Total Cash		***$888,000***		***$1,102,500***	***+24.2%***
LTI Awards					
-Sign-on LTI Award	*Time-Based RSUs*	*$1,250,000*	--	--	
-Annual LTI Award (1)	--	--	*TBD*	*$2,000,000*	
Target LTI Award		***$1,250,000***		***$2,000,000***	***+60.0%***
Total Direct Comp.		***$2,138,000***		***$3,102,500***	***+45.1%***

(1) Your 2018 Annual LTI Award promotion commitment of $2,000,000 includes the minimum 2018 annual LTI Award commitment of $1,000,000 that was outlined in your NCR offer letter.

Exhibit 31.1

CERTIFICATION

I, Michael D. Hayford, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NCR Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 30, 2021

/s/ Michael D. Hayford

Michael D. Hayford
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Timothy C. Oliver, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NCR Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 30, 2021

/s/ Timothy C. Oliver

Timothy C. Oliver
Executive Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of NCR Corporation (the "Company") for the period ending March 31, 2021 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company does hereby certify, pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002), that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

The foregoing certification (i) is given to such officers' knowledge, based upon such officers' investigation as such officers reasonably deem appropriate; and (ii) is being furnished solely pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document.

Dated: April 30, 2021	/s/ Michael D. Hayford
	Michael D. Hayford President and Chief Executive Officer
Dated: April 30, 2021	/s/ Timothy C. Oliver
	Timothy C. Oliver Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to NCR Corporation and will be retained by NCR Corporation and furnished to the United States Securities and Exchange Commission or its staff upon request.